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March 10, 2000

HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
MAR 10 PM 4:04

Re: Case No. 12289: Application of Gillespie Oil, Inc. and Energen Resources Corporation to Amend Division Order No. R-10864-A for unit expansion, statutory unitization, and qualification of the expanded unit area for the recovered oil tax rate and certification of a positive production response pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico.

Dear Ms. Wrotenbery:

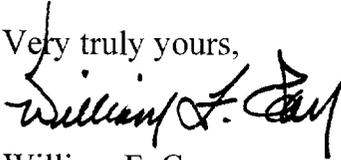
After years of negotiations between the working interest owners and after numerous hearings before the Oil Conservation Division, it appears that we are close to achieving the expansion of the West Lovington Strawn Unit.

Hanley Petroleum, Inc. is the lessee of a tract which will be included in the unit area if it expanded in accordance with any of the proposed expansions which have been discussed during the past year. The lease is beyond its primary term but the lessor has agreed that the lease will be extended if the West Lovington Strawn unit is expanded pursuant to a Division Order. Since the efforts to expand the unit have taken longer than originally anticipated, Hanley is concerned that if there are further delays it could lose much of its interest in the unit area.

Hanley has asked me to write you to request that the order in this case be expedited to the fullest extent possible.

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Your consideration of this request is appreciated.

Very truly yours,

William F. Carr
Attorney for Hanley Petroleum, Inc.

WFC/md

cc: Jim Rogers
Eric Hanson

OIL CONSERVATION DIV.
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