

TO: RAND CARROLL OCD	FROM: Kellahin	DATE: 1/23/97
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January, 1997

HAND DELIVERED**URGENT**

James Bruce, Esq.
Hinkle Law Firm
P. O. Box 2068
Santa Fe, New Mexico 87504

Re: *NMOCD Case 11666:*
InterCoast Oil & Gas Company
Application for Compulsory Pooling,
and an Unorthodox Well Location
Eddy County, New Mexico

NMOCD Case 11677:
Yates Petroleum Corporation
Application for Compulsory Pooling,
and an Unorthodox Well Location
Eddy County, New Mexico

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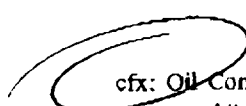
Dear Jim:

On January 21, 1997, I filed an Application for a DeNovo hearing before the Commission in Order R-10731 for the referenced cases and transmitted a copy to you by facsimile. I am preparing and will file tomorrow a request with the Division that this order to stayed pending a Commission hearing.

I would appreciate you confirming that your client, InterCoast Oil & Gas Company, will not attempt to commence drilling this well until the issue of the stay can be decided by the Commission. I appreciate your immediate attention to this request.

Very truly yours,


W. Thomas Kellahin


cfx: Oil Conservation Division
Attn: Rand Carroll, Esq.
cfx: Yates Petroleum Corporation
Attn: Mecca Mauritsen