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JASON KELLAHIN (RETIRED (1991))

August 28, 2000

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Via Facsimile

Re: *NMOCD Case 12462*
Outland State Unit Well No. 1
W/2 Section 12, T21S, R34E, Lea County, New Mexico
Application of Santa Fe Snyder Corporation
for an unorthodox gas well locations

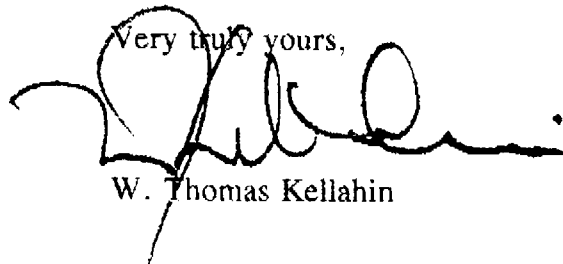
Dear Mr. Stogner:

On August 4, 2000, on behalf of Santa Fe Snyder Corporation, I sent notice of the referenced administrative application to Maynard Oil Company, who is the current offsetting operator towards whom this well encroached. On August 15, 2000, Mr. Michael H. Feldewert, Esq. filed an objection on behalf of Maynard Oil Company. On August 21, 2000, I received your letter advising that Administrative Order NSL-4498 was being held in abeyance until either (i) Maynard Oil Company's objection could be settled or, if not, then (ii) until this dispute could be decided by the Division pursuant to an examiner's hearing scheduled for September 7, 2000. By letter dated August 23, 2000, Mr. Feldewert, on behalf of Maynard Oil Company, informed you that this objection was resolved and he was withdrawing its objection.

A review of the Division file reflects that Maynard Oil Company was the only affected interest owner to file a timely objection to Santa Fe Snyder Corporation's administrative application. Previously, on July 8, 2000, I had sent notification to the working interest owners in Section 13 and none of those owners filed a timely objection by the July 28, 2000 deadline.

Because Maynard Oil Company's objection is now resolved, we request that you dismiss Case 12462 and reinstate Administrative Order NSL-4498.

Very truly yours,



W. Thomas Kellahin

cfx: Santa Fe Snyder Corporation
Attn: Curtis Smith
Michael H. Feldewert, Esq.
Attorney for Maynard Oil Company