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William F. Carr

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44505.0008

October 18, 2002

BY HAND DELIVERY

Ms. Florene Davidson, Secretary
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: New Mexico Oil Conservation Division Case 12908: Division
Nomenclature Case, August 1, 2002.

New Mexico Oil Conservation Division Case 12622 (De Novo):
Application of Nearburg Exploration Company, L.L.C. for
approval of two non-standard 160-acre gas spacing and proration
units, Lea County, New Mexico.

Dear Ms. Davidson:

Late yesterday the attorney representing M.D. Mark, Inc. contacted me. M.D. Mark provided seismic data to Nearburg which Nearburg was planning to introduce as Exhibit 7 at the October 21 and 22 Commission hearing in the above referenced case. M.D. Mark's attorney, however, informed me that the seismic data is a trade secret and threatened that any use of the data, even in a hearing before the Commission, would be an unacceptable disclosure and would represent a breach of the license agreement. M.D. Mark has demanded that I prevent use and disclosure of this seismic information.

Today, we again attempted to obtain permission from M.D. Mark to use the data at the hearing. We were not successful. Therefore, I request that all copies of Exhibit 7 previously filed with the Commission be returned as soon as possible.

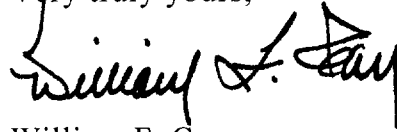
With this letter, we are also advising the Commission and all counsel of record that Nearburg cannot seek to introduce this data during the hearing, and therefore, does not intend to call a geophysical witness at the October 21 and 22 hearing.

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Ms. Florene Davidson, Secretary
October 18, 2002
Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr

cc: Commissioner Lori Wrotenbery
Commissioner Jami Bailey
Commissioner Robert Lee
Stephen C. Ross, Esq.
W. Thomas Kellahin, Esq.
J. Scott Hall, Esq.
Robert Shelton
Nearburg Exploration Company, L.L.C.