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August 22, 2001

VIA FACSIMILE

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Dr.,
Santa Fe, New Mexico 87505

Re: *New Mexico Oil Conservation Division Case No. 12708*
Application of Nearburg Exploration Company, L.L.C. for Compulsory Pooling
for Wapiti "32" State Com. Well No. 2, Section 32, T18S, R34E, Lea County,
New Mexico.

Dear Ms. Wrotenbery:

This is confirmation of my telephone conversation with Examiner Michael Stogner on Monday, August 20, 2001. In that conversation I informed Mr. Stogner that my client had reached agreement with Matador Exploration Company, Inc., concerning the above-captioned case and Matador's competing case for compulsory pooling, NMOCD Case No. 12717.

In light of the agreement reached between Nearburg and Matador, Nearburg requests that the above-captioned case be dismissed.

If you have any questions, please call.

Very truly yours,



Paul R. Owen

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
August 22, 2001
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cc: Mr. Curtis Smith (via facsimile)
Tom Kellahin, Esq. (via facsimile)