



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 27, 2002

Mr. James Bruce
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87505

Dear Mr. Bruce:

Based upon the reasons stated in your letter of February 20, 2002, and in accordance with the provisions of Division Order No. R-11708, Preston Exploration, L.P. is hereby granted an extension of time until May 31, 2002, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12780
OCD - Hobbs

JAMES BRUCE
ATTORNEY AT LAW

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February 20, 2002

Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Order No. R-11708

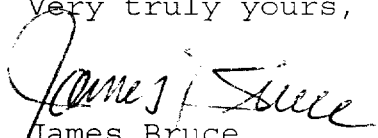
Dear Ms. Wrotenbery:

Preston Exploration Company, L.P. ("Preston") requests an extension of the well commencement deadline in the above order to May 31, 2002. The reasons for this request are as follows:

1. There were over 25 unleased mineral interest owners in the well unit who were pooled. Preston has continued to try to lease these people, and would like additional time to do so.
2. The surface owner has been out of state for a substantial period of time, and Preston has not yet settled surface damages and agreed to a surface location with him (the well is directional because the surface is irrigated farmland). Thus, Preston needs more time to work with the surface owner.
3. Pooling orders usually give an operator 90 days to commence a well. The above order gave 75 days. By the time the order was received, the time was about 70 days, which is less than needed to accomplish items 1 and 2.

Thank you for your consideration of this matter.

Very truly yours,


James Bruce

Attorney for Preston Exploration Company, L.P.

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