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21 June 2002

RECEIVED

JUN 24 2002

HOLLAND & HART LLP

Mr. Armando Lopez
Bureau of Land Management
2909 West Second
Roswell, New Mexico 88201

Mr. Pete Martinez
New Mexico State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Re: Contraction of Unitized Formations of the E-K Queen
Unit, Lea County, New Mexico

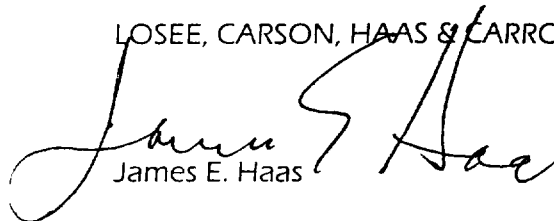
Gentlemen:

Please find enclosed herein duplicate originals of the "Request for Contraction of the Unitized Formations of the E-K Queen Unit to Eliminate the Penrose Sand Member." This document is being prepared and executed by the current operator of the E-K Queen Unit, being Seely Oil Company. As set out in the Request, all working interest owners have been notified and concur in this request. An application has been filed with the Oil Conservation Division for a hearing on this matter, and we understand that the hearing is to be held before the Division on July 11, 2002. Mr. Bill Carr of Santa Fe, New Mexico, is handling the OCD proceedings in this matter. At such time as an order is obtained, a copy of the order authorizing the contraction of the unitized formation will be forwarded to your respective offices.

If you have any questions or need anything further, please advise.

Respectfully yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



James E. Haas

JEH:scj
Enclosures

xc: Seely Oil Company
C. W. Stumhoffer
Holland & Hart, L.L.P.
Attn: William F. Carr

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 12891 Exhibit No. 8

Submitted by:

SEELY OIL COMPANY

Hearing Date: July 11, 2002