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November 12, 2002

HAND DELIVERY

Ms Lori Wrotenbery, Chairman
Oil Conservation Commission
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

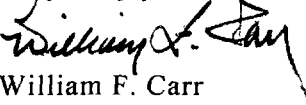
Re: **Case 12622 (De Novo):** Application of Nearburg Exploration Company, L.L.C.
for two non-standard gas spacing and proration units, Lea County, New Mexico.

Case 12908-A (Severed and Reopened): In the Matter of the hearing called by
the Oil Conservation Division for an order creating, re-designating and
extending the vertical and horizontal limits of certain pools in Lea County, New
Mexico.

Dear Ms. Wrotenbery:

In its Closing Statement, Redrock quotes a portion of my closing statement in the recent Sapient Energy Corporation case. While I am pleased that Mr. Kellahin has found reliable authority to cite to the Commission, Redrock's use of my statement **out of context** is misleading. As you are aware, this case must be decided based on the engineering and geological evidence presented by the parties. When the evidence is reviewed, the difference between this dispute and the Sapient case is clear. Here Nearburg is attempting to dedicate to its well the acreage that is drained by its well. In the Sapient case, Sapient wanted to exclude from the spacing unit acreage being drained by their well.

Very truly yours,


William F. Carr

cc: **BY FACSIMILE**
Commissioner Jami Bailey
Commissioner Robert Lee
Stephen C. Ross Esq.
W. Thomas Kellahin, Esq.
J. Scott Hall, Esq.
Bryan Birkeland, Esq.
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J. W. Kellahin