

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Paul R. Owen
Direct Dial: (505) 986-2538
powen@montand.com

Post Office Box 2307
Santa Fe, New Mexico 87504-2307
325 Paseo de Peralta
Telephone (505) 982-3873
Fax (505) 982-4289
www.montand.com

December 4, 2002
VIA FACSIMILE

Michael H. Feldewert, Esq.
Holland & Hart
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501

Re: ***NMOCD Case No. 12967; Application of BP America Production Company
for Surface Commingling, Eddy County, New Mexico***

***NMOCD Case No. 12968; Application of BP America Production Company
for Surface Commingling, Eddy County, New Mexico***

Dear Mr. Feldewert:

You and I discussed this matter earlier today. Yesterday I requested a continuance of these matters to the December 19, 2002 hearing date, or preferably until the January 9, 2003 hearing date.

You initially indicated that BP America would oppose the continuance. However, after speaking with your client you indicated that BP America agrees to continue the matter at the January 9, 2003 hearing date.

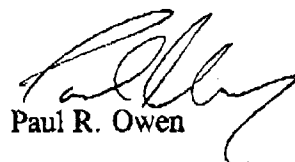
In the first week in January, 2003, BP America will submit to Trilogy Operating a response to the audit report, a summary of which was attached to Mr. Bruce's prehearing statement in this matter. After reviewing that response, I will contact you to convey whether Trilogy still has objections to BP America's proposed surface commingling, and if so, a brief summary of what those objections are. I agreed to provide you with Trilogy's position on January 6, 2003.

I note that there are only two working days in the first week in January. I will contact you if any timing issues are presented when BP America delivers the response to the audit report to Trilogy.

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Thank you for your consideration in this matter.

Very truly yours,



Paul R. Owen

cc: Mr. William Jones (via facsimile)
David Brooks, Esq. (via facsimile)
Mr. Jerry Weant (via facsimile)