

February 5, 1997

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Attn: William F. Carr, Legal Counsel for Yates Petroleum Corporation
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Kellahin and Kellahin **Telefax No. (505) 982-2047**
Attn: W. Thomas Kellahin, Legal Counsel for Amerind Oil Company, Ltd.
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: Case No. 11,717, Application of Amerind Oil Company, Ltd. for an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 7 and 10 of irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Messrs. Carr and Kellahin:

Reference is made to the aforementioned case scheduled to be heard tomorrow, Thursday, February 6, 1997, at the Division hearing, which case file contains the following:

- (1) Mr. Kellahin's original application dated January 13, 1997;
- (2) The advertisement and call of this case as it appears on Docket No. 4-97;
- (3) Mr. Kellahin's letter dated January 15, 1997, which discusses the orientation of 80-acre spacing and proration units within said irregular Section 2 in the West Lovington-Strawn Pool and rather they would be considered standard or non-standard:
 - (a) Lots 10 and 15 would be standard;

(b) Lots 10 and 11 would be non-standard; and,

(c) Lots 7 and 10 would also be non-standard;

(4) Mr. Kellahin's request of February 3, 1997 to consolidate this case with Case No. 11716;

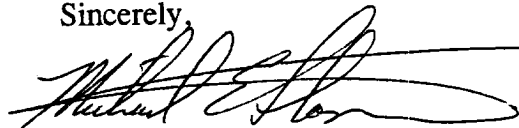
(5) Mr. Carr's entry of appearance in this matter, dated February 3, 1997; and,

(6) Mr. Carr's motion to dismiss, dated February 5, 1997.

Considering the fact that all of said irregular Section 2 is subject to the "*Special Rules and Regulations for the West Lovington-Strawn Pool*", as promulgated by Division Order No. R-9722, as amended, which includes a provision for 80-acre spacing, and that a request for a non-standard 80-acre oil spacing and proration unit to comprise Lots 7 and 10, that is the subject of the force pooling application, was not included in the call of Case 11, 717 or legal advertisement for said case, this matter is hereby dismissed.

Also, considering the above action in Case 11717, Amerind may wish to continue Case No. 11716 and re-advertise said application accordingly.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
Case File 11,717
Case File 11,716
William J. LeMay, OCD Director - Santa Fe
Rand Carroll, Legal Counsel - OCD, Santa Fe
Florene Davidson - OCD, Santa Fe

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