



415 WEST WALL, SUITE 1500/MIDLAND, TEXAS 79701-4473/915-684-8051 FAX: 915-685-1104

June 3, 1991

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Attn: Jerry Sexton
Supervisor District I

RE: Intention to Drill
Hanley "8" Federal #1-D
Section 8, T-18-S, R-33-E
Lea County, New Mexico


Gentlemen:

We are in receipt of your letter of May 31, 1991 bearing the above caption. In response thereto, please be advised that a DeNovo hearing was held on May 9, 1991 before the NMOC concerning the appropriate proration unit to be assigned to the well.

At such time as the proration unit and spacing pattern for the well has been finally determined, we will furnish you with a copy of the order.

Yours very truly,

HANLEY PETROLEUM INC.


James W. Rogers
Vice President Land

/pjm