

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

25 1994

CASE NO. 11107

IN THE MATTER OF THE APPLICATION OF
MARALO INC. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

**RESPONSE OF MARALO INC. TO MOTION TO DISMISS
AND TO COMPEL**

COMES NOW MARALO INC. ("Maralo"), by its undersigned attorneys and hereby responds to the Motion to Dismiss and to Compel filed by Bass Enterprises Production Company on October 24, 1994 and states:

1. Maralo filed its application for compulsory pooling in this case on September 6, 1994.
2. On September 26, 1994 Bass filed its First Motion to Dismiss asserting that "Maralo has not yet afforded to Bass a reasonable opportunity to form on a voluntary basis a spacing unit for the subject well."
3. In response to Bass' Motion to Dismiss, Maralo continued this case for four weeks.
4. Since the request for continuance, negotiations have continued but at this time no agreement for the voluntary development of the subject acreage has been reached.

5. As of the date of Bass' Second Motion for Dismissal, they have had fifty-three days within which to evaluate and respond to Maralo's proposal or otherwise reach a voluntary agreement for developing the subject acreage.

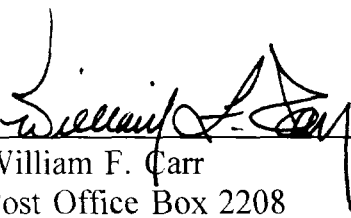
6. A Pre-Hearing Statement was filed on behalf of Maralo in the form prescribed by Oil Conservation Division Memorandum 2-90 on Friday, October 21, 1994. This Pre-Hearing Statement was hand-delivered to Mr. Kellahin on October 21, 1994.

Maralo Inc. submits, on the above stated facts, that Bass Enterprises Production Company has had a reasonable opportunity to form, on a voluntary basis, a spacing unit for the subject well.

Accordingly, Maralo requests that the Motion of Bass Enterprises Production Company be denied and the October 27, 1994 hearing on this application continue as scheduled.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

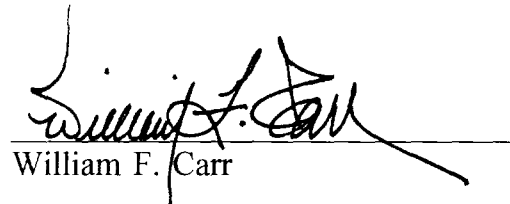
By: 
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Attorneys for Maralo Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the Response of Maralo Inc. to Motion to Dismiss to be faxed and mailed to the following counsel of record on this 25th day of October, 1994.

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
117 North Guadalupe Street
Santa Fe, New Mexico 87501



William F. Carr