

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

RECEIVED

MAR 1 1981

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

OIL CONSERVATION DIVISION

CASE NO. 10274

APPLICATION OF MARALEX, INC.
FOR COMPULSORY POOLING, SAN
JUAN COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This prehearing statement is submitted by Elliot Riggs as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Maralex Resources, Inc.
518 17th Street
Denver, Colorado 80202
Jennifer Ritcher
(303) 571-4220

ATTORNEY

None

OPPOSITION OR OTHER PARTY

Elliot Riggs
Post Office Box 711
Farmington, New Mexico 87401
(505) 325-9881

ATTORNEY

W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Mr. Riggs is opposed to the compulsory pooling application, including, but not limited to the applicant's attempt to use the existing B. H. Keyes and M. N. Keyes Trust Brimhall No. 1 Well, currently completed in the Aztec-Pictured Cliffs Pool, as the well that is the subject of this application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

410 17th Street, Suite 220
Denver, Colorado 80202
(303) 571-4220
FAX (303) 571-4217

'91 JUN 24 AM 10 16

P.O. Box 421
Blanco, New Mexico 87412
(505) 334-1644

June 20, 1991

Case 10274

State of New Mexico
Energy, Minerals & Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: William LeMay

RE: Order No.'s
~~R-9517~~
R-9518
R-9519
San Juan Co.,
New Mexico

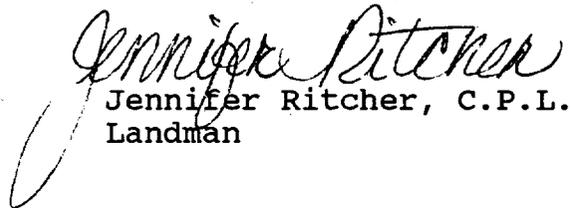


Gentlemen:

Per the terms of the captioned pooling orders, please find enclosed an Authority for Expenditure (AFE) itemizing the estimated well costs for each of the three wells subject to the captioned pooling orders. We have furnished each known working interest owner with a copy of said AFE's.

Please advise should you need any additional information.

Sincerely,


Jennifer Ritcher, C.P.L.
Landman

M A R A L E X R E S O U R C E S, I N C.

AUTHORITY FOR EXPENDITURE (AFE)

WELL NAME: BRIMHALL NO. 2
 LOCATION: Northeast Section 18, T30N, R11W
 San Juan County, New Mexico

INTANGIBLE	DRILLING	COSTS	
Drilling Rig	2100 ft. @ \$14.62/ft		30,700.00
	1 day of daywork @ \$4400/day		4,400.00
Completion Rig	5 days @ \$1500/ day		7,500.00
Location	Dirt Work and labor	\$2500	
	Pits (Plastic Lined)	1800	
	Reclamation of reserve pit	2200	6,500.00
Staking & Permit	\$700 per well		700.00
Damages & ROW	\$3500 per well		3,500.00
Casing & Cmting	Casing Crew	Surface	----
		Production	1200
	Cementing	Surface	2800
		Production	6800
			10,800.00
Logging & Tests	Open-hole Logging	5500	
	Desorption Analysis	0	
	Cased-hole Logging	1800	
	BHP Build-up Test	0	
	Slug Test & other Tests	1600	8,900.00
Perforating	30 feet @ 4 shots per foot	2800	2,800.00
Stimulation	Fracture Treatment	50000	50,000.00
Rental Equipment	Tanks, BOP's, etc.	2200	2,200.00
Water & Hauling	Including Disposal	6000	6,000.00
Labor	Roustabout work, etc.	4400	4,400.00
Supervision	Engineering & field work	4800	4,800.00
Overhead	Land, Legal, Insurance, etc.	3000	3,000.00
Miscellaneous	Contingency (10%)		14,860.00
	TOTAL INTANGIBLE DRILLING COSTS		\$161,060.00

M A R A L E X R E S O U R C E S, I N C.

AUTHORITY FOR EXPENDITURE

TANGIBLE	DRILLING	COSTS
Tubulars	250' of 8-5/8, 24#, J55 csg 2100' of 5-1/2, 17#, J55 csg 2000' of 2-3/8, 4.7#, J55 tbg	\$2,250.00 10,300.00 4,200.00
Rods	2000' of 3/4 Grade D rods	1,900.00
Pumping Equip.	114-135-64 Pumping Unit (used) Downhole pump 2"x1.25"x12' RHBC	10,000.00 2,400.00
Prime Mover	20 Hp Gas Engine w/accessories	3,500.00
Production Unit	Vertical Coal gas separator	7,700.00
Water Storage	400 Barrel Fiberglass tank	5,600.00
Wellhead	Larkin or Hinderlighter head	2,800.00
Float Equip.	Guide Shoes, Floats, etc.	2,000.00
Title Opinion	Abstract of title & Opinion	16,050.00
Bonding	State Plugging Bond	5,000.00
Miscellaneous	Polish rod, pumping tee, fuel gas scrubber, radigan, etc.	3,500.00
TOTAL TANGIBLE DRILLING COSTS		\$77,200.00
TOTAL INTANGIBLE DRILLING COSTS		\$161,060.00
AFE GRAND TOTAL COSTS		\$238,260.00

MARALEX AUTHORIZATION: A. M. O'Hare
A. M. O'HARE, P.E.
PRESIDENT

Partner Approval _____
(Company Name): _____

By: _____

Title: _____

Date: _____

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 10, 1991

HINKLE, COX, EATON,
COFFIELD & HENSLEY
Attorneys at Law
500 Marquette, NW
Suite 740
Albuquerque, New Mexico 87102

RE: CASE NO. 10274
ORDER NO. R-9517

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM - Farmington
T. Kellahin
OCD Aztec Office

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

August 30, 1991

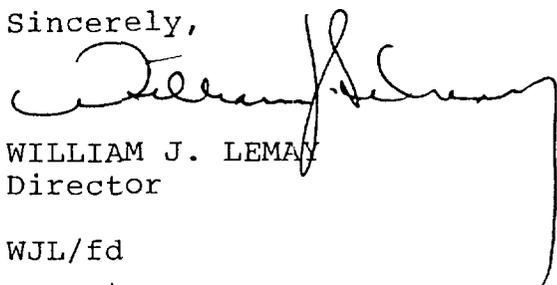
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Ms. Jennifer Ritcher, Landman
Maralex Resources, Inc.
P. O. Box 421
Blanco, New Mexico 87412

Dear Ms. Ritcher:

Based upon your letter of August 28, 1991, and in accordance with the provisions of Division Orders Nos. R-9517 and R-9518, Maralex Resources, Inc. is hereby granted an extension of time in which to begin the wells on the units pooled by said orders until October 31, 1991.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/fd

cc: Case No. 10274
Case No. 10275
Oil Conservation Division - Aztec

RECEIVED

AUG 29 1991



OIL CONSERVATION DIVISION

410 17th Street, Suite 220
Denver, Colorado 80202
(303) 571-4220
FAX (303) 571-4217

August 28, 1991

P.O. Box 421
Blanco, New Mexico 87412
(505) 334-1644

State of New Mexico
Energy, Minerals & Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: William J. LeMay

RE: Compulsory Pooling
Order #R-9517
T30N-R11W
Sec. 18: N1/2
Order #R-9518
T30N-R11W
Sec. 19: N1/2
San Juan Co.,
New Mexico

FEDERAL EXPRESS

Gentlemen:

On June 7, 1991, the captioned Orders for Compulsory Pooling were granted to Maralex Resources, Inc. pooling those mineral interests in the Basin-Fruitland Coal Pool underlying the captioned lands. The Order provided for the commencement of drilling operations for either a new well or for a re-entry in Section 18, and for a new well in Section 19, prior to August 31, 1991.

Due to lengthy negotiations with several owners within the proration units, who subsequent to the issuance of the Orders agreed to sell, Maralex requests an extension of the time in which to commence operations from August 31, 1991 to October 31, 1991. We believe that this will allow us sufficient time in which to consummate these transactions.

Thank-you for your consideration of this proposal. We shall anticipate your favorable response.

Sincerely,


Jennifer Ritcher, C.P.L.
Landman

*OK - write to them
WJZ*

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

October 15, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
15051827-5900

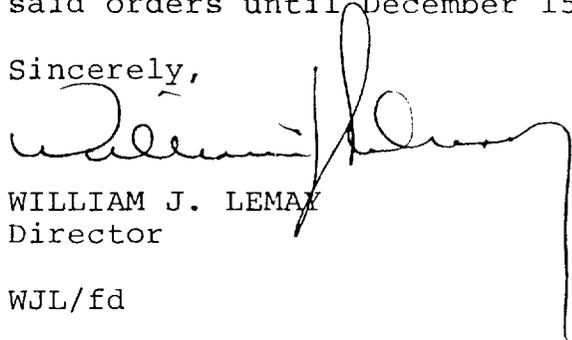
Maralex Resources, Inc.
P. O. Box 421
Blanco, New Mexico 87412

Attention: Jennifer Ritcher

Dear Ms. Ritcher:

Based upon your letter of October 11, 1991, and in accordance with the provisions of Division Orders Nos. R-9517 and R-9518, Maralex Resources, Inc. is hereby granted an additional extension of time in which to begin the wells on the units pooled by said orders until December 15, 1991.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/fd

cc: Case No. 10274
Case No. 10275
Oil Conservation Division - Aztec



OIL CONSERVATION DIVISION
RECEIVED

'91 OCT 15 AM 10 03

410 17th Street, Suite 220
Denver, Colorado 80202
(303) 571-4220
FAX (303) 571-4217

P.O. Box 421
Blanco, New Mexico 87412
(505) 334-1644

October 11, 1991

State of New Mexico
Energy, Minerals & Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: William J. LeMay

RE: Compulsory Pooling
Order #R-9517
T30N-R11W
Sec. 18: N1/2
Order #R-9518
T30N-R11W
Sec. 19: N1/2
San Juan Co.,
New Mexico

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED
ARTICLE # P 685 520 575

Gentlemen:

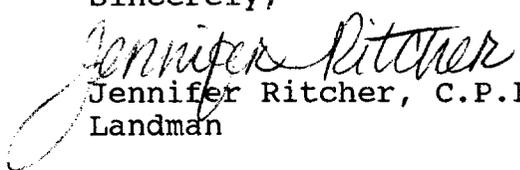
On June 7, 1991, the captioned Orders for Compulsory Pooling were granted to Maralex Resources, Inc. pooling those mineral interests in the Basin-Fruitland Coal Pool underlying the captioned lands. On August 30, 1991, the Division granted an extension until October 31, 1991 in which to commence drilling of the subject wells.

Due to lengthy negotiations with several owners within the proration units, who subsequent to the issuance of the Orders agreed to sell, Maralex requests a 45 day extension of the time in which to commence operations from October 31, 1991 to December 15, 1991. We believe that this will allow us sufficient time in which to finalize the paperwork associated with these transactions. Maralex is committed to the drilling of these wells and has spent a great amount of time and money in preparation for drilling.

By copy of this letter, we are notifying all parties named in each Order of our request for this extension, as well as furnishing to each party a copy of our most recent Authority For Expenditure.

Thank-you for your consideration of this proposal. We shall anticipate your favorable response.

Sincerely,


Jennifer Ritcher, C.P.L.
Landman

M A R A L E X R E S O U R C E S , I N C .

AUTHORITY FOR EXPENDITURE (AFE)

WELL NAME: BRIMHALL NO. 2
 LOCATION: Northeast Section 18, T30N, R11W
 San Juan County, New Mexico

INTANGIBLE	DRILLING	COSTS	
Drilling Rig	2200 ft. @ \$11.00/ft		\$24,200.00
	1 day of daywork @ \$4400/day		4,400.00
Completion Rig	3 days @ \$1500/ day		4,500.00
Location	Dirt Work and labor	\$1500	
	Pits (Plastic Lined)	1000	
	Reclamation of reserve pit	1200	4,500.00
Staking & Permit	\$700 per well		700.00
Damages & ROW	\$4000 per well		4,000.00
Casing & Cmtng	Casing Crew	Surface	----
		Production	1200
	Cementing	Surface	2500
		Production	5000
			8,700.00
Logging & Tests	Open-hole Logging	3500	
	Cased-hole Logging	2800	6,300.00
Perforating	30 feet @ 4 shots per foot	2800	2,800.00
Stimulation	Fracture Treatment	50000	50,000.00
Rental Equipment	Tanks, BOP's, etc.	1200	1,200.00
Water & Hauling	For Completion Only	800	800.00
Labor	Roustabout work, etc.	3400	3,400.00
Supervision	Engineering & field work	3500	
	Geological (Cuttings work)	700	4,200.00
Overhead	Land, Legal, Insurance, etc.	1800	1,800.00
Miscellaneous	Contingency (10%)		15,500.00
	TOTAL INTANGIBLE DRILLING COSTS		\$137,000.00

M A R A L E X R E S O U R C E S, I N C.

AUTHORITY FOR EXPENDITURE

TANGIBLE	DRILLING	COSTS
Tubulars	250' of 8-5/8, 24#, J55 csg	\$2,350.00
	2200' of 5-1/2, 17#, J55 csg	11,000.00
	2100' of 2-3/8, 4.7#, J55 tbg	4,200.00
Rods	2100' of 3/4 Grade D rods	2,400.00
Pumping Equip.	114-135-54 Pumping Unit (used)	6,500.00
	Downhole pump 2"x1.25"x12' RHBC	2,800.00
Prime Mover	30 Hp Natural gas engine (used)	3,500.00
Production Unit	Vertical Coal gas separator	6,500.00
Flowlines	Water line to Scott disposal	21,500.00
Wellhead	Larkin or Hinderlighter head	2,500.00
Measurement Equip	El Paso meter (complete)	11,000.00
Compressor	26 hp two-stage compressor (used)	20,000.00
Float Equip.	Guide Shoes, Floats, etc.	2,000.00
Title & lease costs	Title opinions, force pooling, etc.	19,000.00
Miscellaneous	Polish rod, pumping tee, fuel gas scrubber, radigan, etc.	3,500.00
TOTAL TANGIBLE DRILLING COSTS		\$118,750.00
TOTAL INTANGIBLE DRILLING COSTS		\$137,000.00
APE GRAND TOTAL COSTS		\$255,750.00

Maralex Authorization: A. M. EganPartner Approval
(Company Name): _____

By: _____

Title: _____

Date: _____

M A R A L E X R E S O U R C E S , I N C .

AUTHORITY FOR EXPENDITURE (AFE)

WELL NAME: CECIL CAST NO. 1
 LOCATION: Northeast Section 19, T30N, R11W
 San Juan County, New Mexico

INTANGIBLE	DRILLING	COSTS	
Drilling Rig	2200 ft. @ \$11.00/ft 1 day of daywork @ \$4400/day		\$24,200.00 4,400.00
Completion Rig	3 days @ \$1500/ day		4,500.00
Location	Dirt Work and labor \$1500 Pits (Plastic Lined) 1800 Reclamation of reserve pit 1200		4,500.00
Staking & Permit	\$700 per well		700.00
Damages & ROW	\$4000 per well		4,000.00
Casing & Cmtng	Casing Crew Surface ---- Production 1200 Cementing Surface 2500 Production 5000		8,700.00
Logging & Tests	Open-hole Logging 3500 Cased-hole Logging 2800		6,300.00
Perforating	30 feet @ 4 shots per foot 2800		2,800.00
Stimulation	Fracture Treatment 50000		50,000.00
Rental Equipment	Tanks, BOP's, etc. 1200		1,200.00
Water & Hauling	For Completion Only 800		800.00
Labor	Roustabout work, etc. 3400		3,400.00
Supervision	Engineering & field work 3500 Geological (Cuttings work) 700		4,200.00
Overhead	Land, Legal, Insurance, etc. 1800		1,800.00
Miscellaneous	Contingency (10%)		15,500.00
	TOTAL INTANGIBLE DRILLING COSTS		\$137,000.00

CECIL CAST #1, PAGE 2

M A R A L E X R E S O U R C E S, I N C.

AUTHORITY FOR EXPENDITURE

TANGIBLE	DRILLING	COSTS
<u>Tubulars</u>	250' of 8-5/8, 24#, J55 csg	\$2,350.00
	2200' of 5-1/2, 17#, J55 csg	11,000.00
	2100' of 2-3/8, 4.7#, J55 tbg	4,200.00
Rods	2100' of 3/4 Grade D rods	2,400.00
Pumping Equip.	114-135-54 Pumping Unit (used)	6,500.00
	Downhole pump 2"x1.25"x12' RHBC	2,800.00
Prime Mover	30 Hp Natural gas engine (used)	3,500.00
Production Unit	Vertical Coal gas separator	6,500.00
Water Disposal	Shared cost of Evaporator	12,000.00
Wellhead	Larkin or Hinderlighter head	2,500.00
Flowlines	2-inch line to El Paso meter	2,800.00
Measurement Equip	El Paso meter (complete)	11,000.00
Compressor	26 hp two-stage compressor (used)	20,000.00
Float Equip.	Guide Shoes, Floats, etc.	2,000.00
Title & lease costs	Title opinions, force pooling, etc.	21,000.00
Miscellaneous	Polish rod, pumping tee, fuel gas scrubber, radigan, etc.	3,500.00
	TOTAL TANGIBLE DRILLING COSTS	\$114,050.00
	TOTAL INTANGIBLE DRILLING COSTS	\$137,000.00
	AFE GRAND TOTAL COSTS	\$251,050.00

Maralex Authorization: *[Signature]*Partner Approval
(Company Name): _____

By: _____

Title: _____

Date: _____

LAW OFFICES

TANSEY, ROSEBROUGH, GERDING & STROTHER, P.C.

621 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401
TELEPHONE: (505) 325-1801

OF COUNSEL
Charles M. Tansey

Douglas A. Echols
Richard L. Gerding
Michael T. O'Loughlin
James B. Payne
Tommy Roberts
Haskell D. Rosebrough
Robin D. Strother
Karen L. Townsend

TELECOPIER: 50
(505) 325-4675

Mailing Address:
P. O. Box 1020
Farmington, N.M. 87499

June 3, 1994

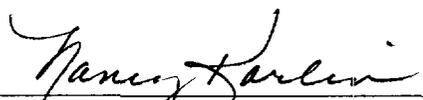
Florene Davidson
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Transcript of Case Nos. 10274, 10275, 10276 (Consolidated)

Dear Florene:

Enclosed please find the above referenced transcript. Thank you for your assistance in this matter.

Sincerely,



Nancy Karlin
Secretary to TOMMY ROBERTS

:nk
Enclosure



February 25, 1991

518 17th St., Suite 1030
Denver, Colorado 80202
(303) 571-4220

State of New Mexico
Energy, Minerals &
Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504
Attn: Mr. Michael Stogner

RE: Compulsory Pooling
Applications
March 21, 1991
Docket

Case 10274

Dear Mr. Stogner:

Per our telephone conversation of February 22, 1991, I request that you include the following applications for Compulsory Pooling of the Basin Fruitland Coal Formation in the advertisement for the March 21, 1991 hearing. It is my understanding that the information contained in this letter is all that will be needed for the February 26, 1991, 5:00 P. M. deadline to include these applications on the docket. The formal applications shall be forwarded to your office within a week.

Applicant Name: Maralex Resources, Inc.

Drillsite Spacing Units to be pooled:

Township 30 North, Range 12 West, Section 24: E1/2
Township 30 North, Range 11 West, Section 19: N1/2

~~_____ N1/2~~
(previously heard Case #10112, Order #R-9356) (10/13/90)
Maralex does not expect these applications to be opposed and requests administrative approval of same.

Thank-you for your assistance in this matter. Please let me know if you need any additional information.

Sincerely,

Jennifer Ritcher
Jennifer Ritcher, C.P.L.
Landman

*Compulsory Pool
Basin Fruitland Coal Sec Pool*

underlying lots 1 and 2, NE 1/4, and E 1/2 NW 1/4 (N 1/2 equivalent)

to be dedicated to either the existing B. H. Keys and M. H. Keys Trust Brimhall Well No. 1 located at a standard coal gas well location 990' EN & EL (Unit A) or to a new well to be drilled at a standard coal gas well location in the NE 1/4 of said Section 18.

well is located approximately 1/5 mile south of the State, New Mexico Administrative Municipal District



Fax: (303) 571-4225

518 17th St., Suite 1030
Denver, Colorado 80202
(303) 571-4220

FACSIMILE TRANSMISSION

DATE: 2-25-91 TIME: 10:30

2 PAGE(S) INCLUDING COVER PAGE

TO: Michael Stogner

COMPANY: New Mexico OCD

TELEPHONE: 505-827-5800 EXT: _____

FAX: 505-827-5741

FROM: Jennifer Ritcher - Maralex

COMMENTS: Please let me know if you
need any additional information.

PLEASE CALL THE WRITER IF COMPLETE DOCUMENT IS NOT RECEIVED

Document No. _____
Document Name: _____



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

BRUCE KING
GOVERNOR

February 26, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Maralex Resources, Inc.
518 17th Street
Suite 1030
Denver, Colorado 80202

Case 10274

ATTN: Jennifer Ritcher

*RE: Three Compulsory Pooling Applications
Basin Fruitland Coal Gas Pool
San Juan County, New Mexico*

Dear Mr. Ritcher:

The three subject applications have been docketed for the March 21, 1991 Examiners Hearing, it was noted that you expected no objections to these filings and requested that they be considered "administratively", I assume you meant under the provisions of General Rules 1207.1.(ii).

Due to recent problems with this procedure in previous cases, and because of due process requirements, we are not considering any applications for compulsory pooling by this "administrative" process. Therefore, your applications will only be considered after the normal hearing process where evidentiary testimony is received.

Should you have any questions concerning this matter, please contact the Division's General Council, Robert G. Stovall.

Sincerely,

William J. LeMay
Director

WJL/MES/sl

OIL CONSERVATION DIVISION
RECEIVED

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

'91 MAR 27 AM 8 49

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

March 19, 1991

DELIVERED BY FACSIMILE:
(505) 827-5741

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87501

RE: MOTION TO DISMISS OR IN THE
ALTERNATIVE TO CONTINUE NMOCD
CASE NO. (10274)

Dear Mr. Stogner:

Our firm represents Mr. Elliot Riggs, who is listed by the applicant, Maralex Resources, Inc., as one of the working interest parties Maralex seeks to pool in the referenced case.

On behalf of Mr. Riggs, I have obtained a copy of Division file for this case. I am unable to find that Maralex has retained a New Mexico attorney to represent them in this matter.

In addition, in her letter to you dated February 25, 1991, Ms. Ritcher, on behalf of Maralex, stated she would file a formal application within a week. I am unable to find any such application.

Finally, Maralex has failed to file its Pre-hearing Statement disclosing witnesses and exhibits by the 4:00 p.m., March 15th deadline.

Accordingly, we are placed at a disadvantage in preparing for this case and request that the case be dismissed or, in the alternative, continued until Maralex

Michael E. Stogner
March 19, 1991
Page 2

complies with the procedures of the Division concerning
a written application, counsel and pre-hearing
statements.

Very truly yours,

A handwritten signature in dark ink, appearing to read "W. Thomas Keenan". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. Thomas Keenan

WTK/ept
Enclosures

CC: By Facsimile to
Maralex Resources, Inc.
(303) 571-4225

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
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FAX (505) 982-8623

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
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CLARENCE E. HINKLE (1901-1985)
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ALBUQUERQUE, NEW MEXICO 87102-2121
(505) 768-1500
FAX (505) 768-1529

*NOT LICENSED IN NEW MEXICO

March 20, 1991

HAND DELIVERED

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Case 10274
J.B.

Re: **Maralex Resources, Inc.; Cases for March 21, 1991
Examiner Hearing**

Dear Mr. Stogner:

By this letter Maralex opposes the request for continuance filed by Mr. Kellahin. I note that on March 15, 1991, I telecopied pre-hearing statements to you. Also, there have been sufficient negotiations between the parties. I apologize for not responding to Mr. Kellahin's motion formally, but I have been in trial and thus unable to attend to this matter promptly.

Sincerely,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

James Bruce
James Bruce

JB:jr
cc: W. Thomas Kellahin VIA FAX

91 APR 21 11 42
OIL CONSERVATION DIVISION



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

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 19, 1991

*Delivered by Facsimile: (505) 982-2047
on March 19, 1991*

Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin

*RE: Motion on behalf of Elliot Riggs to dismiss
or continue Division Case No. 10274.*

Dear Mr. Kellahin:

I am in receipt of your "telexed" correspondence as of 2:30pm on March 19, 1991. Having reviewed your request, the file on Case No. 10274 and related correspondence thereon, I find:

- 1) A pre-hearing statement was "telexed" to this agency at 4:37pm on March 15, 1991 by James Bruce. General Memorandum 2-90 states that pre-hearing statements are requested to be in by 4:00pm on the Friday before the hearing. Maralex missed by thirty-seven minutes. Such pre-hearing statements are a *request* and not a requirement. They are also for the examiner's benefit to prepare a hearing. I do not find thirty-seven minutes to be an inconvenience. (If thirty-seven minutes did make a difference, many applications would be sent back since a large number of them are received after 4:00pm on the Tuesday that applications for hearing are due.)
- 2) Maralex's letter dated February 25, 1991 met all of the requirements of a proper application under General Rule 1203.

Kellahin, Kellahin & Aubrey
Attention: W. Thomas Kellahin
March 19, 1991
Page 2

Your request for dismissal and/or continuance of this matter is hereby denied.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - William J. LeMay
Robert G. Stovall
James Bruce - Hinkle Law Firm, Albuquerque
Maralex Resources, Inc. - Denver, CO

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:

Case No: 10,274

APPLICATION OF MARALEX RESOURCES,
INC. FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as
required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Maralex Resources, Inc.
518 17th Street, Suite 1030
Denver, Colorado 80202
(303) 571-4220
Attention: Mickey O'Hare

ATTORNEY

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks the compulsory pooling of the N $\frac{1}{2}$ §18-
30N-11W, to be named operator, and a penalty against non-
consenting mineral interest owners. There are interest
owners who have not agreed to join in the proposed well.

OPPOSITION OR OTHER PARTY

Pre-hearing Statement
NMOCD Case No. 10,274
Page 2

PROPOSED EVIDENCE

APPLICANT

WITNESS	EST. TIME	EXHIBITS
Mickey O'Hare (Landman)	20 minutes	(1) Land Plat. (2) List of Interest owners. (3) Correspondence. (4) AFE. (5) Notice letter. (6) Coal thickness map.

OPPOSITION

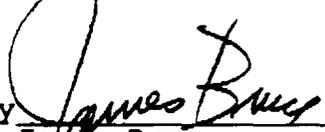
WITNESS	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

Applicant request that cases 10,274, 10,275, and 10,276 be consolidated for hearing.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By 

 James Bruce
 500 Marquette, N.W.
 Suite 800
 Albuquerque, N.M. 87102
 (505) 768-1500

Attorneys for Applicant

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

March 19, 1991

DELIVERED BY FACSIMILE:
(505) 827-5741Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87501RE: MOTION TO DISMISS OR IN THE
ALTERNATIVE TO CONTINUE NMOCD
CASE NO. 10274

Dear Mr. Stogner:

Our firm represents Mr. Elliot Riggs, who is listed by the applicant, Maralex Resources, Inc., as one of the working interest parties Maralex seeks to pool in the referenced case.

On behalf of Mr. Riggs, I have obtained a copy of Division file for this case. I am unable to find that Maralex has retained a New Mexico attorney to represent them in this matter.

In addition, in her letter to you dated February 25, 1991, Ms. Ritcher, on behalf of Maralex, stated she would file a formal application within a week. I am unable to find any such application.

Finally, Maralex has failed to file its Pre-hearing Statement disclosing witnesses and exhibits by the 4:00 p.m., March 15th deadline.

Accordingly, we are placed at a disadvantage in preparing for this case and request that the case be dismissed or, in the alternative, continued until Maralex

Michael E. Stogner
March 19, 1991
Page 2

complies with the procedures of the Division concerning
a written application, counsel and pre-hearing
statements.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kerlin". The signature is stylized and cursive, with a long horizontal stroke extending to the right.

W. Thomas Kerlin

WTK/ept
Enclosures

CC: By Facsimile to
Maralex Resources, Inc.
(303) 571-4225

HINKLE, COX, EATON, COFFIELD & HENSLEY
OIL CONSERVATION DIVISION

RECEIVED

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800

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April 10, 1991

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY JR.
MARSHALL G. MARTIN
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Mr. Michael E. Stogner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

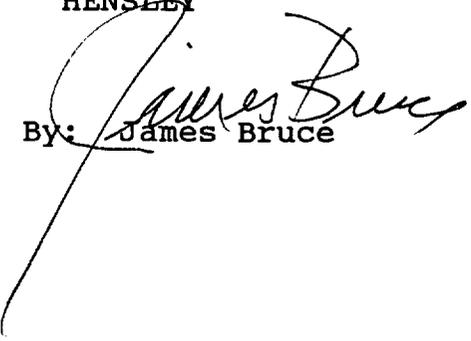
Re: Applications of Maralex Resources, Inc. for Compulsory
Pooling, Case Nos. 10,274, 10,275, and 10,276

Dear Mr. Stogner:

As requested at the hearing, enclosed are Affidavits
regarding notice given in each of the three cases, together with
originals of the certified return receipts. Please call me if
you need anything further.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: 
James Bruce

JB:le
Enclosures

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:

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Attention: Mickey O'Hare

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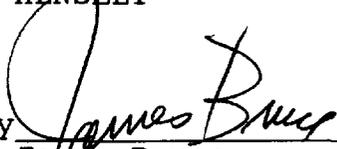
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Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By 

James Bruce
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(505) 768-1500

Attorneys for Applicant

KELLAHIN, KELLAHIN AND AUBREY

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OF COUNSELTELEPHONE (505) 982-4285
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March 19, 1991

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Hearing Examiner
Oil Conservation Division
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Santa Fe, New Mexico 87501RE: MOTION TO DISMISS OR IN THE
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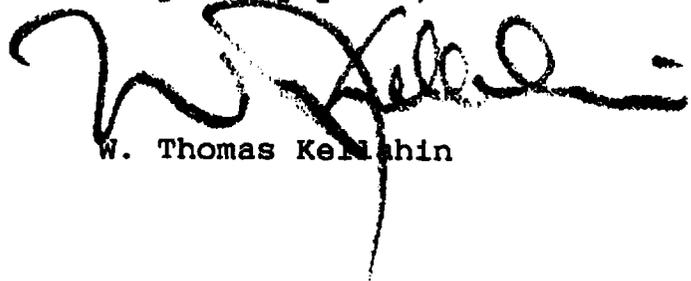
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March 19, 1991
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