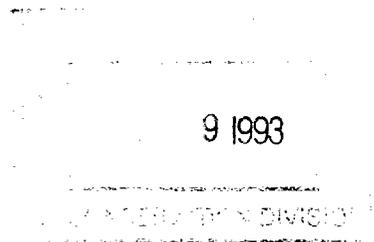


BEFORE THE  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

IN THE MATTER OF CASE 10556  
BEING REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER  
NO. R-9759, WHICH ORDER  
PROMULGATED SPECIAL POOL RULES  
AND REGULATIONS FOR THE OLD  
MILLMAN RANCH-BONE SPRING POOL  
IN EDDY COUNTY, NEW MEXICO.



CASE NO. 10556

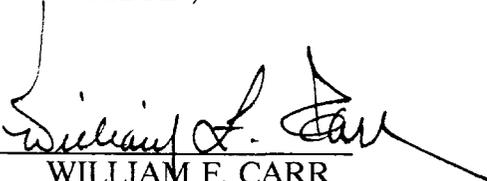
ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby  
enters its appearance in the above referenced case on behalf of Maralo, Inc.

Respectfully submitted,

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

By:

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written over a horizontal line.

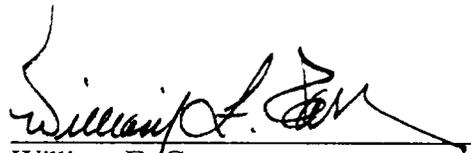
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO, INC.

**CERTIFICATE OF MAILING**

I hereby certify that on this 9<sup>th</sup> day of July, 1993, I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to:

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

  
\_\_\_\_\_  
William F. Carr

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. 10556 (Reopen)**

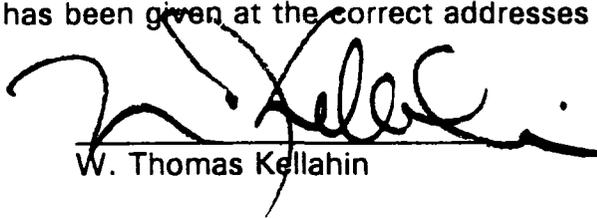
NMOCD CASE 10556; REOPENING OF  
SPECIAL RULES AND REGULATIONS  
FOR OIL MILLMAN RANCH-BONE  
SPRINGS POOL, EDDY COUNTY,  
NEW MEXICO

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of Chi Energy Inc., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on June 15, 1993, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for July 15, 1993, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.



W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 13 day of JUNE, 1993.



Notary Public

My Commission Expires:

June 9, 1997

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402

1. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

2. Attach this form to the front of the mailpiece or on the back if space does not permit.

3. Complete items 1 and/or 2 for additional services. Complete items 3, 4, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you.

4. Attach this form to the front of the mailpiece, or on the back if space does not permit.

5. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Penroc Oil Corporation  
 P.O. Box 5970  
 Hobbs, New Mexico 88241

6. Signature (Agent)  
 Signature (Agent)

4a. Article Number: 670 689 560

4b. Service Type:  
 Registered  
 Certified  
 Express Mail

7. Date of Delivery: 6-21-93

8. Addressee's Address (Only if requested and fee is paid):

5. Signature (Addressee)  
 Signature (Addressee)

6. Signature (Agent)  
 Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

1. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

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4. Attach this form to the front of the mailpiece, or on the back if space does not permit.

5. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Southland Royalty Company  
 P.O. Box 2726  
 Midland, Texas 79702

6. Signature (Agent)  
 Signature (Agent)

4a. Article Number: 670 689 570

4b. Service Type:  
 Registered  
 Certified  
 Express Mail

7. Date of Delivery: JUN 18 1993

8. Addressee's Address (Only if requested and fee is paid):

5. Signature (Addressee)  
 Signature (Addressee)

6. Signature (Agent)  
 Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

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4. Attach this form to the front of the mailpiece, or on the back if space does not permit.

5. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Chevron U.S.A. Inc.  
 P.O. Box 1150  
 Midland, Texas 79702

6. Signature (Agent)  
 Signature (Agent)

4a. Article Number: 256 909 310

4b. Service Type:  
 Registered  
 Certified  
 Express Mail

7. Date of Delivery: 6/21/93

8. Addressee's Address (Only if requested and fee is paid):

5. Signature (Addressee)  
 Signature (Addressee)

6. Signature (Agent)  
 Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

1. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

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4. Attach this form to the front of the mailpiece, or on the back if space does not permit.

5. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Newbourne Oil Company  
 P.O. Box 7698  
 Tyler, Texas 75711

6. Signature (Agent)  
 Signature (Agent)

4a. Article Number: 670 689 568

4b. Service Type:  
 Registered  
 Certified  
 Express Mail

7. Date of Delivery: 6/21/93

8. Addressee's Address (Only if requested and fee is paid):

5. Signature (Addressee)  
 Signature (Addressee)

6. Signature (Agent)  
 Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

PS Form 3811, December 1991 \*U.S. GPO: 1992-223-402 DOMESTIC RETURN RECEIPT

is your RETURN ADDRESS completed on the reverse side?

• Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Snyder Oil Corporation  
 777 Main Street, Suite 2500  
 Fort Worth, Texas 76102

5. Signature (Addressee)  
 Signature (Agent)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

4a. Article Number: 756 911 022

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 21 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 18 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the reverse side?

• Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Arco Oil and Gas Company  
 P.O. Box 1610  
 Midland, Texas 79702

5. Signature (Addressee)  
 Signature (Agent)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 18 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 18 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the reverse side?

• Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Strata Production Company  
 648 Petroleum Bldg.  
 Roswell, New Mexico 88201

5. Signature (Addressee)  
 Signature (Agent)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 12 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 12 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the reverse side?

• Complete items 3, and 4a & b.  
 • Print your name and address on the reverse of this form so that we can return this card to you.  
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 • Write "Return Receipt Requested" on the mailpiece below the article number.  
 • The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Parker & Parsley Petroleum Co.  
 600 West Illinois, Suite 103  
 Midland, Texas 79701

5. Signature (Addressee)  
 Signature (Agent)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 19 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number: 670 689 561

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery: JUN 19 1993

8. Addressee's Address (Only if requested and fee is paid)

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

Complete items 1 and/or 2 for additional services.  
• Complete items 3, and 4a & b.  
• Print your name and address on the reverse of this form so that we can return the card to you.  
• Attach this form to the front of the mailpiece, or on the back if space does not permit.  
• Write "Return Receipt Requested" on the mailpiece below the article number.  
• The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
Mitchell Energy Corporation  
400 West Illinois Street  
Suite 1000  
Midland, Texas 79701

Signature (Addressee)  
Signature (Agent)

Form 3811, December 1991 U.S. GPO: 1992-323-402

I also wish to receive the following services (for an extra fee):  
 Addressee's Address  
 Restricted Delivery  
Consult postmaster for fee.

4a. Article Number 620814182  
4b. Service Type  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

7. Date of Delivery 6-21-93  
8. Addressee's Address (Only if requested and fee is paid)

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: OXY USA, Inc  
P.O. box 50250  
Midland, Texas 79710

4a. Article Number 956911025  
4b. Service Type  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

7. Date of Delivery 6-21-93  
8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

Complete items 1 and/or 2 for additional services.  
• Complete items 3, and 4a & b.  
• Print your name and address on the reverse of this form so that we can return the card to you.  
• Attach this form to the front of the mailpiece, or on the back if space does not permit.  
• Write "Return Receipt Requested" on the mailpiece below the article number.  
• The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
Maralo, Inc.  
223 West Wall, Suite 900  
Midland, Texas 79701

Signature (Addressee)  
Signature (Agent)

Form 3811, December 1991 U.S. GPO: 1992-323-402

I also wish to receive the following services (for an extra fee):  
 Addressee's Address  
 Restricted Delivery  
Consult postmaster for fee.

4a. Article Number 956911024  
4b. Service Type  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

7. Date of Delivery 6-21-93  
8. Addressee's Address (Only if requested and fee is paid)

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

4a. Article Number 956911025  
4b. Service Type  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

7. Date of Delivery 6-18-93  
8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

P 756 909 311



**Certified Mail Receipt**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

**Devon Energy Corp.**  
**20 North Broadway,**  
**Suite 1500**  
**Oklahoma City, OK 73102**

PS Form 3800, June 1990

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$
Postmark or Date	

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240  
 DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

OPERATOR'S MONTHLY REPORT  
 Form C-115 - Revised 1/1/93  
 See Distribution and Code  
 Information Bottom of Page

Company or Operator Chi Operating, Inc.

Address P. O. Box 1799, Midland, TX Zip 79702

For Month, Jun-93 Page 2 of 3

POOL NAME (Underline) Lease Name	API#	WELL NO.	UNIT	SEC.	TWP	RNG	WELL STATUS		INJECTION		PRODUCTION		DISPOSITION OF GAS		DISPOSITION OF OIL					
							VOLUME	PRESS.	BARRELS OIL/COND. PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD.	SOLD	TRANS-PORTER	OTHER	OIL ON HAND AT BEG. OF MONTH	BARRELS TO TRANS-PORTER	TRANS-PORTER	OTHER	OIL ON HAND AT END OF MONTH
<u>OLD MILLMAN RANCH</u> <u>BONE SPRING</u>																				
Winchester Federal #1	30-015-24146	#1	H	4-20S-28E			F			3,198.000		135	60,356	30	60,356	GPM	523	374	SPC	305
Winchester Federal #2	30-015-27069	#2	E	3-20S-28E			F			1,386		135	63,002	30	63,002	GPM	262	1,311	SPC	337
Remington Federal #1	30-015-27222	#1	M	3-20S-28E			F			3,546		135	15,490	30	15,490	GPM	792	3,732	CGC	606
Colt Federal #1	30-015-27288	#1	P	4-20S-28E			F			1,127		270	50,395	30	50,395	GPM	393	1,105	SPC	415

**DISTRIBUTION**  
 Original OGD Santa Fe  
 Copy (X) TO Dist. Office  
 in which lease is located  
 Copy ( ) TO Inspector (1)

**STATUS CODE**  
 F..... FLOWING  
 P..... PUMPING  
 G..... GAS LIFT  
 S..... SHUT IN  
 T..... TEMP ABANDONED  
 I..... INJECTION  
 O..... DISCONTINUED

**OTHER GAS DISPOSITION CODE**  
 X..... USED OFF LEASE  
 D..... USED FOR DRILLING  
 G..... GAS LIFT  
 L..... LOST (MCF ESTIMATED)  
 E..... EXPLANATION ATTACHED  
 R..... REPRESSURING OR  
 V..... VENTED  
 U..... USED ON LEASE

**OTHER OIL DISPOSITION CODE**  
 C..... CIRCULATING OIL  
 S..... SEDIMENTATION (B S & W)  
 E..... EXPLANATION ATTACHED  
 T..... THEFT

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

ANGELA GLOSOP (AUG) 685-5001  
 TYPED NAME  
 Production Secretary  
 PHONE NUMBER

Amelia Alvarado  
 POSITION  
 alvarez

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240  
**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210  
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

Company or Operator Melbourne Oil Company Address P.O. Box 7698-Tyler, TX Zip 75711 For Month, Year JUNE 1993 Page 4 of 25

POOL NAME (Underline) Lease Name	INJECTION			PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL							
	VOLUME	PRESS.	WELL STATUS	BARRELS OF WATER PRODUCED	BARRELS OF OIL/COND. PRODUCED	BARRELS OF GAS PRODUCED (MCF)	DAYS PROD.	SOLD	TRANSPOR-TER	OTHER	C O D E	OIL ON HAND AT BEG. OF MONTH	BARRELS TO TRANSPOR-TER	TRANSPOR-TER	OTHER	C O D E	OIL ON HAND AT END OF MONTH
<u>OLD MILLMAN RANCH (BONE SPRINGS)</u> FEDERAL "V" 30-015-26702 2 B 8-20S-28E F				77	308	9208	29	9173	GPM	35	U	299	0	PPC			376
LEASE TOTAL . . . . .	0			77	308	9208		9173		35		299	0		0		376
<u>QUERECHO PLAINS (DELAWARE)</u> FRENCH FEDERAL 30-025-29623 1 M 24-18S-32E P				251	280	0	30	0				186	133	KCC			254
LEASE TOTAL . . . . .	0			251	280	0		0		0		186	133		0		254
<u>QUERECHO PLAINS (QUEEN ASSOC.)</u> CEDAR LAKE 30-025-24888 1 F 23-18S-32E S				0	0	0	0	0	PP			40	0	PER			40
LEASE TOTAL . . . . .	0			0	0	0		0		0		40	0		0		40
<u>QUERECHO PLAINS (QUEEN ASSOC.)</u> EDITH FEDERAL NM-0554244																	

**DISTRIBUTION**  
 Original OCD Santa Fe  
 One Copy OCD Dist. Office  
 in which lease is located  
 One Copy to Transporter (s)  
 DATE DUE  
 To be postmarked by 24th day of next succeeding month.

**STATUS CODE**  
 F..... FLOWING  
 P..... PUMPING  
 G..... GAS LIFT  
 S..... SHUT IN  
 T..... TEMP ABANDONED  
 I..... INJECTION  
 D..... DISCONTINUED

**OTHER GAS DISPOSITION CODE**  
 X..... USED OFF LEASE  
 D..... USED FOR DRILLING  
 G..... GAS LIFT  
 L..... LOST (MCF ESTIMATED)  
 E..... EXPLANATION ATTACHED  
 R..... REPRESSURING OR  
 V..... PRESSURE MAINTENANCE  
 U..... USED ON LEASE

**OTHER OIL DISPOSITION CODE**  
 C..... CIRCULATING OIL  
 L..... LOST  
 S..... SEDIMENTATION (B S & W)  
 E..... EXPLANATION ATTACHED  
 T..... THEFT

**I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE**  
 CHERYL LITTLE (903) 561-2900

TYPED NAME production Analyst PHONE NUMBER  
 SIGNATURE [Signature] POSITION 71-12

Gas Schedul

gas

Not supposed to print Schedule  
but he sent it

Hold it until get new  
Schedule

Getley calls.

April - Sept



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



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

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

February 4, 1993

Mewbourne Oil Company  
P. O. Box 5270  
Hobbs, New Mexico 88241

Gentlemen:

In accordance with the provisions of Division Order No. R-9759 entered on November 4, 1992, the Oil Conservation Division is reopening Case No. 10556 in order to give all operators in the Old Millman Ranch-Bone Spring Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and testimony as to the nature of the reservoir with regards to the proper classification of said pool as either oil or gas.

This case will be heard before an examiner on February 18, 1993, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

enc.



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



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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

February 4, 1993

Chi Operating  
P. O. Box 1799  
Midland, Texas 79702

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A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

enc.

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

IN THE MATTER OF CASE 10556  
BEING REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER  
NO. R-9759, WHICH ORDER  
PROMULGATED SPECIAL POOL RULES  
AND REGULATIONS FOR THE OLD  
MILLMAN RANCH-BONE SPRING POOL  
IN EDDY COUNTY, NEW MEXICO.



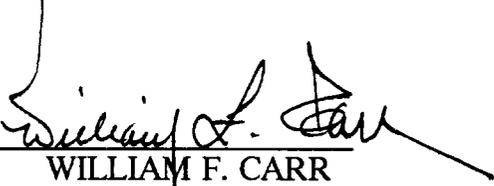
CASE NO. 10556

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby  
enters its appearance in the above referenced case on behalf of Maralo, Inc.

Respectfully submitted,

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

By: 

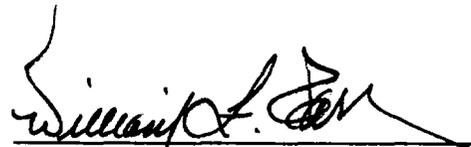
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

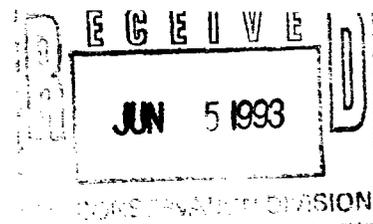
ATTORNEYS FOR MARALO, INC.

**CERTIFICATE OF MAILING**

I hereby certify that on this 9<sup>th</sup> day of July, 1993, I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to:

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

  
\_\_\_\_\_  
William F. Carr



**KELLAHIN AND KELLAHIN**

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) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 14, 1993

**HAND DELIVERED**

Mr. David R. Catanach  
Hearing Examiner  
Oil Conservation Division  
310 Old Santa Fe, Trail  
Santa Fe, New Mexico 87501

Re: NMOCD Case 10556; Reopening of special rules and regulations for Old Millman Ranch-Bone Springs Pool, Eddy County, New Mexico

Dear Mr. Catanach:

On behalf of Chi Energy Inc., the applicant in the original hearing of referenced case, we request this case be continued from the June 17th docket and readvertised for hearing on the Examiner's docket scheduled for July 15, 1993.

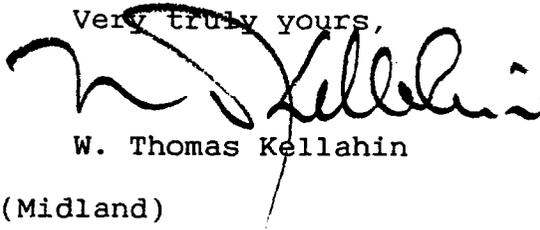
The following is our proposed notice for readvertisement:

Case 10556: In the matter of Case 10556 being reopened pursuant to the provisions of Division Order R-9759, which order promulgated special pool rules and regulations for the Old Millman Ranch-Bone Spring Pool in Eddy County, New Mexico. In addition, Chi Energy Inc. seeks the designation of the subject pool as an "associated" oil and gas pool with Order R-9759 to be superseded by Order R-5353 (the Associated Oil and Gas Pool Rules) and amended to provide for 160-acre gas well spacing and 80-acre oil well spacing.

NMOCD  
June 14, 1993  
Page 2.

By copy of this letter, we are notifying by certified mail-return receipt requested, all operators in the pool and all Bone Springs formation operators within one mile of the current pool boundary of Chi Energy Inc.'s request as described above.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name below.

W. Thomas Kellahin

cc: Chi Energy Inc. (Midland)

cc: **BY CERTIFIED MAIL:**  
James Bruce, Esq. (Mewbourne Oil Company)  
all operators shown on attached list.

**Notifications  
Old Millman Ranch Field  
Names and Addresses**

Mewbourne Oil Company  
P. O. Box 7698  
Tyler, TX 75711

Mitchell Energy Corporation  
200 North Loraine, Suite 1000  
Midland, TX 79701

OXY USA, Inc.  
P. O. Box 50250  
Midland, TX 79710

Maralo, Inc.  
223 West Wall, Suite 900  
Midland, TX 79701

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Snyder Oil Corporation  
777 Main Street, Suite 2500  
Fort Worth, TX 76102

Strata Production Company  
648 Petroleum Bldg.  
Roswell, NM 88201

Arco Oil and Gas Company  
P. O. Box 1610  
Midland, TX 79702

Penroc Oil Corporation  
P. O. Box 5970  
Hobbs, NM 88241

Devon Energy Corp.  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102

Parker & Parsley Petroleum Co.  
600 W. Illinois, Suite 103  
Midland, TX 79701

Soutland Royalty Company  
P. O. Box 2726  
Midland, TX 79702

Chevron U.S.A. Inc.  
P. O. Box 1150  
Midland, TX 79702

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. 10556  
ORDER NO. R-~~975-A~~

9759-A

APPLICATION OF CHI ENERGY INC.  
FOR SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO

CHI ENERGY INC.'S PROPOSED  
ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 15, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this \_\_\_\_\_ day of August, 1993, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) On July 1, 1991, by Order No. R-9545 issued in Case N. 10343, the Division created and defined the Old Millman Ranch-Bone Spring Pool. The discovery well for the pool was the Strata Production Company Aguila Federal Well No. 1 located in Unit L of Section 4, Township 20 south, Range 28 East, NMPM, Eddy County, New Mexico.

Case No. 10556  
Order No. R-9759-A  
Page No. 4

(13) Mewbourne Oil Company appeared through counsel at the hearing but did not object to the application or present any evidence or testimony.

(14) No other operator and/or interest owner appeared at the hearing in opposition to the application.

(15) Approval of Chi Energy Inc's request will allow the operators the opportunity to economically recover their share of the oil and gas in the subject pool, will not reduce ultimate recovery from the subject pool, and will not violate correlative rights.

(17) The gas-oil ratio established by Order R-9759 should remain in effect until the effective date of this order when it shall be reduced to 5,000 to 1 GOR.

(18) This case should be reopened at an examiner hearing in February, 1995, at which time the operators in the Old Millman Ranch-Bone Spring Pool should be prepared to appear and present evidence and testimony as to the nature of the reservoir with regards to making these rules permanent.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Chi Energy Inc, the General Rules and Regulations for Associated Oil and Gas Pools in Northwest and Southeast, New Mexico are hereby adopted for the Old Millman Ranch-Bone Springs Pool, Eddy County, New Mexico subject to the following special rules:

Case No. 10556  
Order No. R-9759-A  
Page No. 2

(3) On November 4, 1992, by Order R-9759 issued in Case 10556, the Division granted the application of Chi Energy Inc to establish a special limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil and required that this case be reopened in February, 1993 so operators could appear and present evidence and testimony as to the nature of the reservoir with regards to the proper classification of the pool as either oil or gas.

(4) The Old Millman Ranch-Bone Spring Pool currently comprises the W/2 of Section 3, S/2 of Section 4, the SE/4 of Section 5, and the NE/4 of Section 8, all in Township 20 South, Range 28 East, NMPM.

(5) In accordance with Division Order R-9759 this case was reopened, continued and finally heard by the Division on June 15, 1993 at which time Chi Energy Inc was only operator to appear and provide technical geologic and engineering testimony concerning the reservoir and its classification.

(6) Chi Energy Inc. seeks to have the subject pool reclassified as an "associated oil and gas pool pursuant to Division Order R-5353 including reducing the special gas oil ratio to 5,000 cubic feet of gas per barrel of oil and 80-acre spacing for oil wells and 160-acre spacing for gas wells.

(7) Chi Energy Inc.'s geologic evidence indicates that the reservoir is an elongated sand body draped over a southeast trending nose, is of limited extent and is positioned near the updip limit of the First Bone Springs Sand along the northwest edge of the Delaware Basin. The trap of the reservoir is formed by a stratigraphic pinchout of effective porosity within the First Bone Spring Sand.

(8) Chi Energy Inc. engineering evidence indicates that all three gas wells are located upstructure from the oil well; that while this is a complex reservoir with limited pressure data, there is a reasonable engineering probability that the gas wells may be connected to the oil well; and in which case a gas cap may be forming or has formed upstructure of the oil production in the reservoir.

(9) Chi Energy Inc. presented engineering evidence and testimony, specifically, results of production step rate tests on the only oil well in the pool which demonstrate that more liquids are recovered per cubic feet of gas produced at GOR up to 5,000 to one.

(10) The results of the PVT analysis indicate that the subject Bone Spring reservoir is likely a gas-condensate reservoir. Under these conditions, the reservoir is best managed and ultimate recovery maximized by making the pool subject to the General Rules and Regulations for the "associated" oil and gas pools pursuant to Order R-5353, as modified herein.

(11) That the evidence indicates that 80-acre oil well spacing and 160-acre gas well spacing is the appropriate spacing patterns to adopt for this pool.

(12) The evidence presented further indicates that the a continuation of the current gas-oil ratio of 20,000 cubic feet of gas per barrel of oil may have an adverse affect on the reservoir and should be reduced to 5,000 to 1 GOR thereby maximizing ultimate recovery of oil or gas from the reservoir.

Case No. 10556  
Order No. R-9759-A  
Page No. 5

- (a) the limiting gas-oil ratio for the Pool is hereby reduced to 5,000 cubic feet of gas per barrel of oil.
- (b) gas well spacing shall be 160-acre per well; and
- (c) oil well spacing shall be 80-acres per well;

(2) The effective date of reduction in such gas-oil ratio shall be the effective date of this order.

(3) The special rules and regulations for this pool established herein shall remain in effect for a temporary period until such time as the Division has the opportunity to hear evidence and testimony with regards to the proper classification of the subject pool.

(4) This case shall be reopened at an Examiner hearing in February, 1995, at which time the operators in the Old Millman Ranch-Bone Spring Pool should be prepared to appear and present evidence and testimony as to the nature of the reservoir with regards to making these rules permanent.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L



# SIETE OIL & GAS CORPORATION

Petroleum Building Suite 200  
P.O. Box 2523 Roswell, New Mexico 88202, USA  
Telephone (505) 622-2202

## TELECOPY

TO: David Catarack

FROM: Robert Lee

200 W. First Street, Suite 200  
P.O. Box 2523  
Roswell, New Mexico 88202

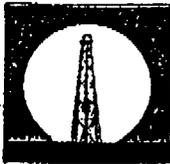
FAX No. 505-623-1440

DATE: 10-19-92

SUBJECT: Winchester #1 - Chi Oper.

NUMBER OF PAGES (Including this cover sheet) 2

MESSAGE: \_\_\_\_\_  
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# SIETE OIL & GAS CORPORATION

Petroleum Building Suite 200  
P.O. Box 2523 Roswell, New Mexico 88202, USA  
Telephone (505) 622-2202

TELECOPY

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MESSAGE: \_\_\_\_\_  
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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY



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

August 31, 1993

KELLAHIN AND KELLAHIN  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504

RE: CASE NO. 10556  
ORDER NO. R-5353-M

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Sally E. Leichte".

Sally E. Leichte  
Administrative Secretary

cc: BLM - Carlsbad  
Alvin Tapia - OCD  
James Bruce  
William Carr  
Donna McDonald - OCD

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

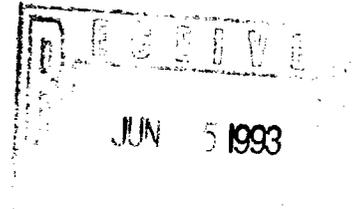
TELEFAX (505) 982-2047

W THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 14, 1993



**HAND DELIVERED**

Mr. David R. Catanach  
Hearing Examiner  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: NMOCD Case 10556; Reopening of special rules and regulations for Old Millman Ranch-Bone Springs Pool, Eddy County, New Mexico

Dear Mr. Catanach:

On behalf of Chi Energy Inc., the applicant in the original hearing of referenced case, we request this case be continued from the June 17th docket and readvertised for hearing on the Examiner's docket scheduled for July 15, 1993.

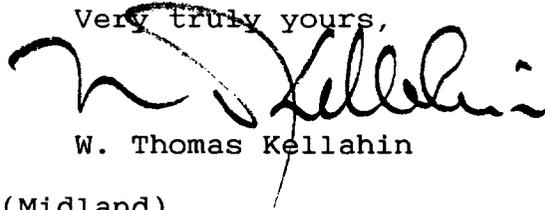
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NMOCD  
June 14, 1993  
Page 2.

By copy of this letter, we are notifying by certified mail-return receipt requested, all operators in the pool and all Bone Springs formation operators within one mile of the current pool boundary of Chi Energy Inc.'s request as described above.

Very truly yours,

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W. Thomas Kellahin

cc: Chi Energy Inc. (Midland)

cc: **BY CERTIFIED MAIL:**  
James Bruce, Esq. (Mewbourne Oil Company)  
all operators shown on attached list.

**Notifications  
Old Millman Ranch Field  
Names and Addresses**

Mewbourne Oil Company  
P. O. Box 7698  
Tyler, TX 75711

Mitchell Energy Corporation  
200 North Loraine, Suite 1000  
Midland, TX 79701

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P. O. Box 50250  
Midland, TX 79710

Maralo, Inc.  
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105 South Fourth Street  
Artesia, NM 88210

Snyder Oil Corporation  
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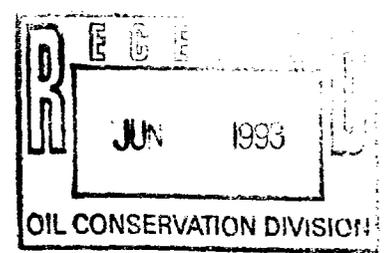
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**KELLAHIN AND KELLAHIN**

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) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 14, 1993

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Hearing Examiner  
Oil Conservation Division  
310 Old Santa Fe, Trail  
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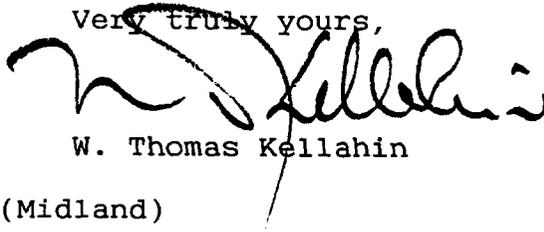
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NMOCD  
June 14, 1993  
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W. Thomas Kellahin

cc: Chi Energy Inc. (Midland)

cc: **BY CERTIFIED MAIL:**  
James Bruce, Esq. (Mewbourne Oil Company)  
all operators shown on attached list.

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Soutland Royalty Company  
P. O. Box 2726  
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Chevron U.S.A. Inc.  
P. O. Box 1150  
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**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

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

JASON KELLAHIN (RETIRED 1991)

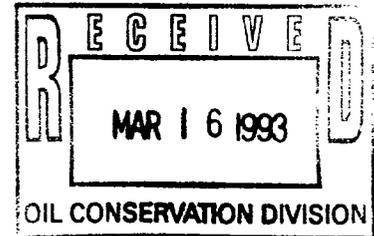
March 16, 1993

Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

**HAND DELIVERED**

RE: NMOCD Case No. 10556  
Reopened pursuant to the  
provisions of Order R-9759  
Special Rules for the Old Millman  
Ranch-Bone Springs Pool  
Eddy County, New Mexico

*M.S.*



Dear Mr. Stogner:

Our firm represented Chi Energy Inc. who was the original applicant in this case which was heard by Examiner Catanach on September 17, 1992 and set by him to be reopened when additional data would be available from which to determine the classification of this pool as either an oil pool or a gas pool.

In order to provide an additional opportunity to gather data from recently drilled wells in the pool, Chi Energy Inc. requests that this matter be continued to Mr. Catanach's docket set for June 3, 1993. Mr. Catanach has informed me he has no objection to the granting of this request.

Very truly yours,

A handwritten signature in dark ink, appearing to read "W. Thomas Kellahin". The signature is fluid and cursive, with a large initial "W" and "K".

W. Thomas Kellahin

WTK/jcl

cc: **VIA FACSIMILE**  
William Bergman - Chi Energy, Inc.  
James Bruce, Esq.

lur316.099

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

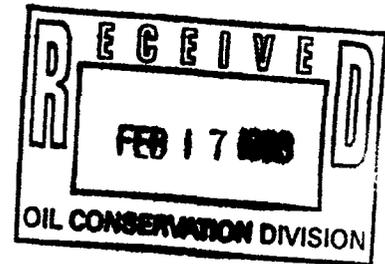
JASON KELLAHIN (RETIRED 1991)

February 17, 1993

Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
310 Old Santa Fe Trail  
Room 219  
Santa Fe, New Mexico 87501

**HAND DELIVERED**  
**AND VIA FACSIMILE**  
(505) 827-5741

RE: NMOCD Case No. 10556  
Reopened pursuant to the provisions  
of Division Order No. R-9759 -  
Special Pool Rules for the Old  
Millman Ranch-Bone Spring Pool,  
Eddy County, New Mexico



Dear Mr. Stogner:

On behalf of the original applicant in the above case, Chi Energy, Inc., we respectfully request that the above-referenced case currently set on the February 18, 1993 Examiner's Docket, be continued to the March 18, 1993 Examiner's Docket.

This continuance will allow for the collection of evidence and the preparation of testimony to establish this pool's proper classification as an oil or gas pool. We know of no objection to this request for continuance.

Thank you for your attention to this matter. If you have questions or there are problems, please call.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

WTK/jcl

xc: Via Facsimile  
William Bergman - Chi Energy, Inc.  
James Bruce, Esq.

lrr217.623

## KELLAHIN AND KELLAHIN

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) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JACOB KELLAHIN (RETIRED 1991)

February 17, 1993

Michael E. Stogner  
 Chief Hearing Officer/Engineer  
 Oil Conservation Division  
 310 Old Santa Fe Trail  
 Room 219  
 Santa Fe, New Mexico 87501

**HAND DELIVERED**  
**AND VIA FACSIMILE**  
 (505) 827-5741



RE: NMOCD Case No. 10556  
 Reopened pursuant to the provisions  
 of Division Order No. R-9759 -  
 Special Pool Rules for the Old  
 Millman Ranch-Bone Spring Pool,  
 Eddy County, New Mexico

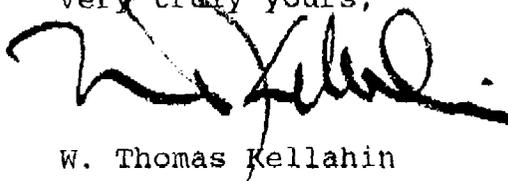
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Thank you for your attention to this matter. If you have questions or there are problems, please call.

Very truly yours,



W. Thomas Kellahin

WTK/jcl

xc: Via Facsimile

William Bergman - Chi Energy, Inc.

James Brumbaugh, Esq.

10/1/93

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

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W. THOMAS KELLAHIN\*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEET

DATE: February 17, 1993

NUMBER OF PAGES: 2  
(including cover sheet)

TIME: \_\_\_\_\_

TO: Michael E. Stogner

FROM: W. Thomas Kellahin

OF: Oil Conservation Division

SPECIAL INSTRUCTIONS:

FAX NO.: 827-5741

URGENT

RE: NMOCD Case No. 10556

FOR YOUR INFORMATION

(reopened) - Old Millman Ranch

FOR YOUR REVIEW

Bone Spring Pool

PLEASE REPLY

FOR YOUR APPROVAL

PER YOUR REQUEST

MESSAGE: Our letter to you dated today requesting a continuance  
of the above case follows. The original will follow  
by hand-delivery.

A HARD COPY  WILL  WILL NOT FOLLOW BY U.S. MAIL.

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD C. HENSLEY, JR.  
STUART D. SHANOR  
ERIC D. LANPHERE  
C. D. MARTIN  
PAUL J. KELLY, JR.  
ROBERT P. TINNIN, JR.  
MARSHALL G. MARTIN  
OWEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
JOHN J. KELLY  
NICHOLAS J. NEEBING  
T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD P. WILFONG\*  
THOMAS J. MCBRIDE  
STEVEN D. ARNOLD  
JAMES J. WECHSLER  
NANCY S. CUSACK  
JEFFREY L. FORNACIARI  
JEFFREY D. HEWETT  
JAMES BRUCE  
JERRY F. SHACKELFORD\*  
JEFFREY W. HELLBERG\*  
ALBERT L. PITTS  
THOMAS M. HASKO  
JOHN C. CHAMBERS\*  
GARY D. COMPTON\*  
MICHAEL A. GROSS  
THOMAS D. HAINES, JR.  
GREGORY J. NIBERT  
DAVID T. MARKETTE\*  
MARK C. DOW

KAREN M. RICHARDSON\*  
FRED W. SCHWENDIMANN  
JAMES M. HUDSON  
JEFFREY S. BAIRD\*  
MACDONNELL GORDON  
PEBECCA NICHOLS JOHNSON  
WILLIAM P. JOHNSON  
STANLEY K. KOTOVSKY, JR.  
H. R. THOMAS  
KARA L. KELLOSS  
BETTY H. LITTLE\*  
RUTH S. MUSGRAVE  
ELLEN S. CASEY  
S. BARRY PASNER  
MARGARET CARTER LUDWIG  
STEPHEN M. CRAMPTON  
MARTIN MEYERS  
GREGORY S. WHEELER  
ANDREW J. CLOUTIER  
JAMES A. G. LESPIE  
GARY W. LARSON  
STEPHAN E. JANDRY  
JOHN R. KULSETH, JR.  
MARGARET R. MCNETT  
BRIAN T. CARTWRIGHT\*  
LISA K. SMITH\*  
JAMES KENT SCHUSTER\*  
ROBERT H. BETHEA\*  
BRADLEY W. HOWARD  
CHARLES A. SUTTON\*  
NORMAN D. SWART  
DARREN T. GROCE\*  
MOLLY MCINTOSH

ATTORNEYS AT LAW  
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(505) 982-4554  
FAX (505) 982-8623

CLARENCE E. HINKLE (1904-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL  
D. M. CALHOUN\*  
MACK EASLEY  
JOE W. WOOD  
RICHARD S. MORRIS  
WASHINGTON, D.C.  
SPECIAL COUNSEL  
ALAN J. STATMAN

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6 DESTA DRIVE  
POST OFFICE BOX 3580  
MIDLAND, TEXAS 79702  
(915) 683-4691  
FAX (915) 683-6518

1700 TEAM BANK BUILDING  
POST OFFICE BOX 9238  
AMARILLO, TEXAS 79105  
(806) 372-5569  
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800  
POST OFFICE BOX 2043  
ALBUQUERQUE, NEW MEXICO 87103  
(505) 768-1500  
FAX (505) 768-1529

September 14, 1992

RECEIVED

SEP 14 1992

OIL CONSERVATION DIVISION

Case 10556

**VIA HAND DELIVERY**

Florene Davidson  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: Application of Chi Energy, Inc. for Special  
Pool Rules, Eddy County, New Mexico

Dear Florene:

Please find enclosed the original and two copies of Mewbourne  
Oil Company's Pre-Hearing Statement in the above-referenced matter.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

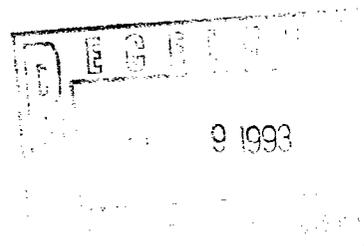
*Fran Sowers*  
Fran Sowers, Secretary  
to James Bruce

Enclosures

c: W. Thomas Kellahin, Esq.

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

IN THE MATTER OF CASE 10556  
BEING REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER  
NO. R-9759, WHICH ORDER  
PROMULGATED SPECIAL POOL RULES  
AND REGULATIONS FOR THE OLD  
MILLMAN RANCH-BONE SPRING POOL  
IN EDDY COUNTY, NEW MEXICO.



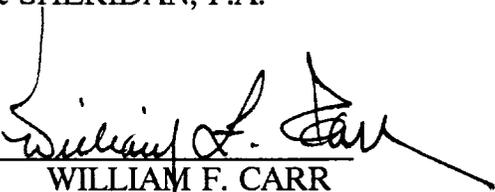
CASE NO. 10556

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby  
enters its appearance in the above referenced case on behalf of Maralo, Inc.

Respectfully submitted,

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

By: 

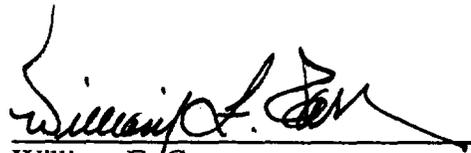
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO, INC.

**CERTIFICATE OF MAILING**

I hereby certify that on this 9<sup>th</sup> day of July, 1993, I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to:

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

  
\_\_\_\_\_  
William F. Carr

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
NANCY A. RATH

JACK M. CAMPBELL  
OF COUNSEL



JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

February 10, 1995

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**RECEIVED**

FEB 10 1995

Oil Conservation Division

Re: Case 10556:

In the Matter of Case No. 10556 Being Reopened Pursuant to the Provisions of Division Order No. R-5353-M, Which Order Reclassified the Oil Millman Ranch-Bone Spring Pool in Townships 19 and 20 South, Range 38 East, Eddy County, New Mexico as an "Associated Pool" to be Governed by The General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast, New Mexico as Contained Within Division Order No. R-5353, as Amended, with Temporary Special Rules and Regulations therefore

Dear Mr. LeMay:

OXY, U.S.A. Inc., an operator of wells in the Old Millman Ranch Pool hereby requests that the hearing in the above-referenced case scheduled for February 16, 1995 be continued to the March 2, 1995 Examiner hearing docket. This continuance is necessary to enable OXY to further refine its model of this reservoir and otherwise complete its preparation for the hearing on this matter.

William J. LeMay, Director  
Oil Conservation Division  
February 10, 1995  
Page 2

It is my understanding that Chi Operating, Inc., the original applicant in this case, does not oppose this request for continuance.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a long horizontal flourish extending to the right.

WILLIAM F. CARR  
WFC:mlh  
ATTORNEY FOR OXY U.S.A. INC.  
cc: Richard E. Foppiano  
OXY U.S.A. Inc.  
Post Office Box 50250  
Midland, TX 79710