BEFORE THE OIL CONSERVATION DIVISION ENERGY & MINERALS DEPARTMENT STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF MALLON OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 9458 Order No. R-8773

APPLICATION FOR DE NOVO HEARING

COMES NOW Red Bluff Water Power Control District by and through its attorney, James T. Jennings and applies to the Oil Conservation Commission for a Hearing De Novo in this case and as grounds therefor, states:

1. On October 12, 1988 a hearing was had before examiner David R. Catanach on the application of Mallon Oil Company for an order pooling all mineral interests in the Bell Canyon, Cherry Canyon and Brushy Canyon Formations underlying the NW/4SW/4 Section 27, Township 26 South, Range 29 East, Eddy County, New Mexico, said application being No. 9458. A copy of said application is attached hereto and marked Exhibit "A".

2. As a result of the hearing on October 12, 1988, Order No. R-8773 was issued by the Oil Conservation Division on October 28, 1988 granting said application. A copy of said order is attached hereto as Exhibit "B."

3. Red Bluff Water Power Control District is a party adversely affected by the decision of the Oil Conservation Division in Order No. R-8773, in accordance with Section 70-2-13, NMSA 1978 Compilation. WHEREFORE, Red Bluff Water Power Control District asks that this matter be heard de novo before the Oil Conservation Commission.

James / I. / Jennings P. O. Box 1180

Roswell, New Mexico 88202 (505) 622-8432 Attorney for Applicant, Red Bluff Water Power Control District

I hereby certify that a true and correct copy of the foregoing Application for De Novo Hearing was mailed to Ernest Padilla, Esq. of Padilla & Snyder, P. O. Box 2523, Santa Fe, New Mexico 87504-2523, on the 23 day of November, 1988.