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

*NOT LICENSED IN TEXAS

Mr. William J. LeMay, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Case No. 9543, Order No. R-8834
Case No. 9544, Order No. R-8835

Dear Mr. LeMay:

Pursuant to Oil Conservation Division Rule 1220, enclosed your will find Fina Oil & Chemical Company's written application for a de novo hearing before the Commission with respect to the cases and orders of the Division referenced above. By certified mail, return receipt requested, we are notifying Meridian Oil, Inc., the original applicant in the foregoing cases of Fina's application for hearing de novo before the full Commission.

It is our understanding that this matter will be advertised on the docket for the full Commission for its next scheduled hearing on February 16, 1989.

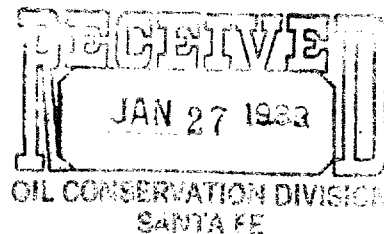
If anything further is needed in order to place this matter in line for the requested hearing de novo, please let me know immediately.

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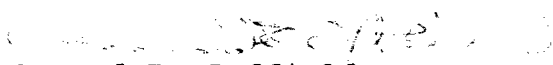


Page - 2 -

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl
Enclosures

copy/encl: Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87499

Mr. Robert E. Dempsey
Fina Oil & Chemical Company
Post Office Box 2990
Midland, Texas 79702

Mr. Jim Bruce
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121

M.S.

HINKLE, COX, EATON, COFFIELD & HENSLEY

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Mr. William J. LeMay, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Case No. 9543, Order No. R-8834
Case No. 9544, Order No. R-8835

Dear Mr. LeMay:

This will confirm my telephone request to Mike Stogner for a continuance of the above referenced cases from the full Commission hearing docket scheduled for February 16, 1989 to the next available docket for a full Commission hearing. When this was scheduled for the 16th of February, I was unaware of the fact that Fina's geological expert witness has a prior commitment to present a paper at a professional education seminar on that same date.

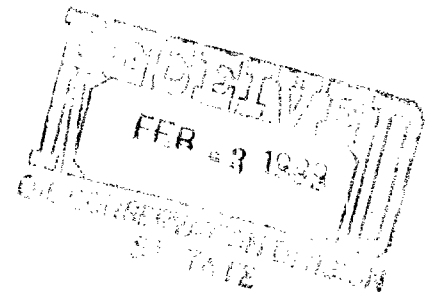
If anything additional is needed in order to secure the requested continuance to the next regular hearing scheduled for the full Commission, please let me know.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield

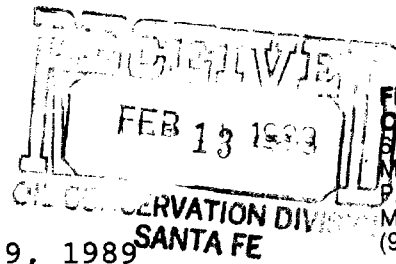


CEC:cl
Enclosures

copy/encl: CERTIFIED MAIL
RETURN RECEIPT REQUESTED:
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87499

Mr. Robert E. Dempsey
Fina Oil & Chemical Company
Post Office Box 2990
Midland, Texas 79702

Mr. Jim Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121



Fina Oil and Chemical
Company
8 Desta Drive, Suite 4400
Midland, Texas 79705
P.O. Box 2990
Midland, Texas 79702
(915) 687-0575

February 9, 1989

Meridian Oil Inc.
P. O. Box 4289
Farmington, NM 87499-4289
Attention: Robert J. Hopkins

CERTIFIED MAIL

Re: Case 9543, Order R-8834
EPNG Com. C-100
W/2 Sec. 16, T-32-N, R-10-W
San Juan County, New Mexico
Lease #NM002312-000

Gentlemen:

As I believe you are aware, Fina Oil and Chemical Company has asked for a de novo hearing before the New Mexico Oil Conservation Division with respect to the above referenced Case and Order and with respect to Case #9544, Order R-8835. Fina has asked for this hearing since we are unable to reach an agreement with respect to the treatment of the tax credit available for coal seam methane gas.

It is Fina's position that the tax credit should be included in any calculation of payout or cost recovery. If we can reach an agreement over this issue, we would be willing to forego the de novo hearing and proceed under your form of Operating Agreement with the changes suggested in my letter of January 24, 1989.

It is my understanding that Meridian is adamant in its stance that the tax credit be disregarded in any cost recovery calculations. If this is not the case, please let us know as soon as possible.

Sincerely,

Robert E. Dempsey
Robert E. Dempsey
Land Manager

RED/dt

cc: Mr. William J. LeMay,
Director, NMOCD
Mr. Conrad E. Coffield
Mr. Jim Bruce
Mr. Frank Tripp

HINKLE, COX, EATON, COFFIELD & HENSLEY

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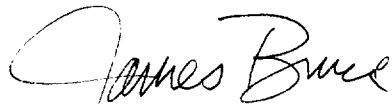
Mr. William LeMay
Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 9543 (De Novo)
Case No. 9544 (De Novo)
De Novo Application of Fina Oil and Chemical Company on
Original Applications of Meridian Oil, Inc.

Dear Mr. LeMay:

The above matters are scheduled to be heard before the Commission on Thursday, March 9, 1989. De Novo applicant Fina Oil and Chemical Company hereby requests the hearings be continued to the next scheduled Commission hearing. This continuance is requested due to ongoing discussions between Fina and Meridian. Thank you.

Very truly yours,



JAMES BRUCE

JB:le

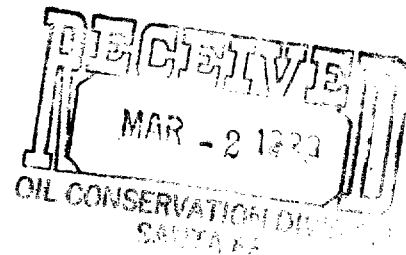
cc: W. Thomas Kellahin

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EXPRESS MAIL

Mr. William J. LeMay, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Florene Davidson

Re: Case No. 9543 and Case No. 9544

Dear Mr. LeMay:

This will confirm my telephone conversation with Florene Davidson in connection with the above referenced cases which are set for hearing on the Oil Conservation Commission hearing for Thursday, March 9, 1989. My client has advised me that Meridian and Fina are in the process of trying to work out a resolution to the issues with which the parties have been concerned. Accordingly, Fina respectfully requests that the above referenced cases set for de novo hearing on March 9 be continued until the next regularly scheduled Oil Conservation Commission docket. In line with information from Ms. Davidson, I understand that the next full Commission hearing docket is now set for April 17, 1989.

Please advise if anything further is needed in order to effect the continuance requested.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

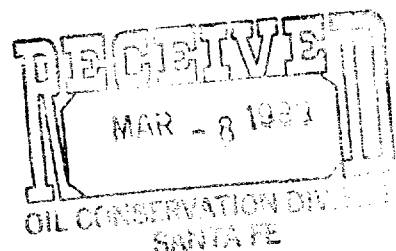
Conrad E. Coffield

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(505) 768-1500



CEC:cl

copy/encl:

EXPRESS MAIL:
Meridian Oil, Inc.
Attn: Robert J. Hopkins
Post Office Box 4289
Farmington, New Mexico 87499-4289

EXPRESS MAIL:
Mr. W. Tom Kelliham, Esq.
Kellahin, Kellahin and Aubrey
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Mr. Robert E. Dempsey
Fina Oil & Chemical Company
Post Office Box 2990
Midland, Texas 79702

Mr. Jim Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 21, 1989

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Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Re: Case No. 9543
Order No. R-8834

Case No. 9544
Order No. R-8835

Dear Mr. Kellahin:

Based upon your letter of March 16, 1989, and in accordance with the provisions of the above-captioned Division orders, Meridian Oil Inc. is hereby granted an extension of time in which to begin the well on the units pooled by said orders until 90 days after the entry of a Commission De Novo order in the subject two cases. This extension of time is contingent upon the original compulsory pooling orders being upheld by the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director

WJL/fd

cc: Cases 9543 and 9544
Frank Chavez

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

March 16, 1989

HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Meridian Oil Inc.
for Compulsory Pooling for the
EPNG Com C Well No. 100
NMOCD Case No 9543
Order R-8834
Fina DeNovo Appeal

Application of Meridian Oil Inc.
for Compulsory Pooling for the
Burroughs Com A Well No. 100
NMOCD Case No 9544
Order R-8835
Fina DeNovo Appeal

RECEIVED

MAR 16 1989

OIL CONSERVATION DIVISION

Dear Mr. LeMay:

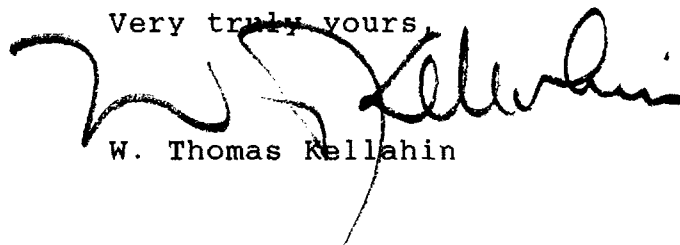
Our firm represents Meridian Oil Inc. in each of the above referenced matters both of which are now pending DeNovo hearings before the Commission.

Each pooling order required that Meridian commence the respective well on or before March 31, 1989.

As a result of Fina Oil & Chemical Company's DeNovo appeal of these cases, Meridian Oil Inc. is unable to commence the wells as originally required.

In accordance with the ordering paragraph found at the top of page 4 of each order, Meridian Oil Inc. respectfully requests that the commencement date for each order to be continued so that each well will not have to be commenced until 90 days after the entry of a Commission DeNovo order in these cases.

Very truly yours,



W. Thomas Kellahin

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay
March 16, 1989
Page 2

WTK/rs

cc: Mr. Alan Alexander
Meridian Oil Inc.
Mr. Conrad Coffield, Esq.
Attorney for Fina Oil & Chemical Company

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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March 29, 1989

Mr. William J. LeMay, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Case No. 9543 and Case No. 9544

Dear Mr. LeMay:

This will confirm my telephone conversation with Mike Stogner today in connection with the above referenced cases. These cases are set on the April 17, 1989 docket for a full Commission de novo hearing on application of Fina Oil & Chemical Company.

Meridian and Fina representatives continue to try to work out details of a resolution to their differences on these cases. Yesterday, Meridian requested Fina to permit continuance of these cases from the April docket to the May Commission docket. Fina concurs with Meridian and the requested continuance. Accordingly, it is my understanding that these cases will be continued to the docket for the full Commission hearing scheduled for May.

If anything further is needed to effect this continuance to the May docket, please let me know. Also, when you know what date in May the hearing will be scheduled, please advise.

Page - 2 -

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



Conrad E. Coffield

CEC:cl

copies: Mr. Robert E. Dempsey
Fina Oil & Chemical Company
Post Office Box 2990
Midland, Texas 79702

Mr. W. Tom Kellahin, Esq.
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Meridian Oil, Inc.
Attn: Robert J. Hopkins
Post Office Box 4289
Farmington, New Mexico 87499-4289

Mr. Jim Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

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Karen Aubrey

El Patio - 117 North Guadalupe
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Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fé, New Mexico 87504-2265

March 30, 1989

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Meridian Oil, Inc. for
Compulsory Pooling:

NMOCD Case No. 9543 - Order R-8834
DeNovo Application of Fina
EPNG Com C Well No. 100

NMOCD Case No. 9544 - Order R-8835
DeNovo Application of Fina
Burroughs Com A Well No. 100

Dear Mr. LeMay:

I wish to confirm on behalf of Meridian Oil Company, we concur in Mr. Conrad Coffield's request on behalf of Fina Oil and Chemical Company to continue the two referenced DeNovo hearings now scheduled for the April 17, 1989 Commission hearing.

I understood that both Meridian and Fina are attempting to reach a voluntary resolution of this dispute. Accordingly, rather than continue to specifically set this case for hearing and then have it continued, we respectfully request that the case be indefinitely continued until such time as either party asks for a specific docket setting for this matter.

Very truly yours,


W. Thomas Kellahin

WTK/rs

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay
March 30, 1989
Page 2

cc: Mr. Conrad E. Coffield, Esq.
Hinkle, Cox & Eaton
P.O. Box 3580
Midland, Texas 79702

Mr. John Caldwell
Mr. Alan Alexander
Meridian Oil Company
P.O. Box 4289
Farmington, New Mexico 87401

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August 15, 1989

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AUG 21 1989

**OIL CONSERVATION DIV.
SANTA FE**

Mr. William J. LeMay, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: NMOCD Case No. 9543 - Order R-8834
DeNovo Application of Fina
EPNG Com C Well No. 100

NMOCD Case No. 9544 - Order R-8835
DeNovo Application of Fina
Burroughs Com A. Well No. 100

Dear Mr. LeMay:

Your files on the above referenced cases will reflect that either late in March or early in April this year, these two cases were placed in an "indefinitely continued" status pending negotiation between the parties involved for a mutually satisfactory resolution to their differences.

Fina Oil & Chemical Company has today advised me that Fina is now satisfied with an agreement which Fina has reached with Meridian Oil Company. Accordingly, the de novo application to the Commission on each of these cases may be dismissed. Please institute whatever Commission action is in order so that Fina's application in both of these cases may be shown of record as dismissed.

Please advise if anything further is needed to effect the dismissal of Fina's applications de novo.

Page - 2 -

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl

copies: Mr. Robert E. Dempsey
Fina Oil & Chemical Company
Post Office Box 2990
Midland, Texas 79702

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STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

October 20, 1989

GARREY CARRUTHERS
GOVERNOR

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Mr. Conrad E. Coffield
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
Post Office Box 3560
Midland, Texas 79702

Re: CASE NO. 9543 (De Novo)
ORDER NO. R-8834-A

Applicant:
(Fina Oil & Chemical Company)
Meridian Oil, Inc.

Dear Sir:

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

Sincerely,

Florence Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other Thomas Kellahin