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*NOT LICENSED IN TEXAS

December 23, 1985

Mr. Richard Stamets
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case file

Re: Rio Pecos Application
for Relief Under Common
Purchaser Act - Oil
Conservation Commission Case
No. 8796

Dear Dick:

The above referenced case for which we filed an Application for hearing with the full Commission has been scheduled for hearing before the full Commission on January 7, 1985.

Please note the files of the above case to reflect our withdrawal as attorneys of record for Applicant, Rio Pecos Corporation. It is our understanding that the matter will be presented before the Commission by the Kellahin Law Firm.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl

copy: Mr. Scott Wilson
Rio Pecos Corporation

HINKLE, COX, EATON, COFFIELD & HENSLEY

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ROBERT A. STONE (1905-1981)

*NOT LICENSED IN TEXAS

Ms. Florene Davidson
Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8796

Re: Rio Pecos Application
for Enforcement of Common
Purchaser Requirements and
Other Pertinent Provisions of
the Oil and Gas Act - Eddy
County, New Mexico

Dear Florene:

Enclosed herewith you will find, executed in triplicate, an Application for Enforcement of Common Purchaser Requirements and Other Pertinent Provisions of the Oil and Gas Act, Eddy County, New Mexico.

We request this be set on the first available docket for Commission hearing. If anything additionally is needed in order to complete the filing for this case, please call.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:lpc



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January 24, 1986

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REPLY TO SANTA FE OFFICE

Richard L. Stamets, Director
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Application of Rio Pecos Corporation;
OCD Cause No. 8796

Dear Dick:

Confirming our telephone conversation of Thursday, January 23, this letter is to inform you that the present parties to this case, Rio Pecos Corporation and El Paso Natural Gas Company, have agreed to the following briefing schedule:

1. Exchange of initial brief on or before February 14, 1986. These briefs are to present each respective parties' positions with regard to state jurisdiction over the operations of interstate pipelines as that jurisdiction relates to ratable take issues;
2. On or before February 24, 1986 the parties shall file and exchange responsive briefs to the briefs filed on or about February 14.

Thank you for your consideration in allowing us the extra time needed to present our respective clients' position with regard to this extremely complex issue.

Richard L. Stamets, Director
January 24, 1986
Page 2

If I can be of any assistance, please do not hesitate
to contact me.

Sincerely,



W. Perry Pearce

WPP:dml
2652-85-15

cc: Thomas Kellahin, Esq.
Thomas S. Jensen, Esq.
Gary R. Kilpatric, Esq.
Galen M. Buller, Esq.

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

February 11, 1986

RECEIVED

FEB 1

OIL CONSERVATION

Richard L. Stamets, Chairman
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Application of Rio Pecos Corporation
for Enforcement of the Common
Purchaser Act, NMOCC Case 8796

Dear Mr. Stamets:

On behalf of Rio Pecos Corporation, I respectfully request that the referenced case now set for hearing on February 26, 1986, be continued to the Commission case to be scheduled in April, 1986. In addition, we would request that the exchange of briefs as set forth in Mr. Pearce's letter of January 24, 1986, be suspended at this time.

We have communicated our request to Mr. Pearce and have obtained his concurrence on behalf of El Paso Natural Gas Company.

The reason for our request is based upon the January 22, 1986 decision of the Supreme Court of the United States in Transcontinental Gas v. Mississippi which held that Mississippi's State Oil & Gas Board's ratable take order is pre-empted by the federal NGA and NGPA, copy enclosed. The facts of the Rio Pecos case are in many ways similar to those before the Mississippi Oil & Gas Board. We are advised that the State of Mississippi intends to file for a rehearing in this case. Obviously, the final decision in the Transcontinental case needs to be taken into consideration by both El Paso and Rio Pecos Corporation in preparing their respective cases before the New Mexico Oil Conservation Commission.

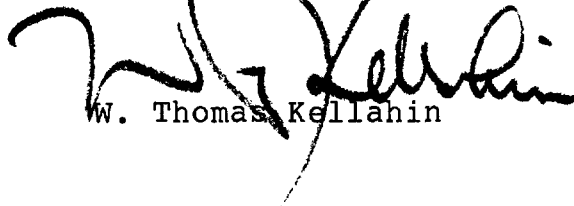
Should we continue on the current schedule for the Rio Pecos case without a final resolution of the Transcontinental case, we will be unable to give the New Mexico Commission a clear interpretation of federal case

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets, Chairman
February 11, 1986
Page 2

law from which to guide the Commission towards a decision
in this matter. Accordingly, we believe that a
continuance will ultimately aid all parties in this case.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is fluid and cursive, with a large initial 'W' and a long, sweeping underline.

W. Thomas Kellahin

WTK:ca
Enc.

cc: Perry Pearce, Esq.
Montgomery & Andrews
P. O. Box 2307
Santa Fe, New Mexico 87504

Scott Wilson
Rio Pecos Corporation
110 West Louisiana, Suite 460
Midland, Texas 79701

A. J. Losee, Esq.
Attorney at Law
P. O. Drawer 239
Artesia, New Mexico 88210

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March 31, 1986

RECEIVED

MAR 31 1986

OIL CONSERVATION DIVISION

Mr. Richard L. Stamets
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: Rio Pecos Corporation
Application for Enforcement
of Common Purchase Act
NMOCC Case 8796

Dear Mr. Stamets:

On behalf of Rio Pecos Corporation, we respectfully request that you dismiss Case 8796 without prejudice. This case was continued from the February 26, 1986, hearing to the hearing of April 9, 1986, because we were without a final resolution of the Transcontinental Gas v. Mississippi case. It is my understanding that State of Mississippi has filed for a rehearing in that case but no final action has been taken by the U. S. Supreme Court.

Rather than continue this case from docket to docket, we would prefer to dismiss without prejudice and to refile our case at some other time, if appropriate.

Very truly yours,


W. Thomas Kellahin

WTK:ca

cc: W. Perry Pearce, Esq.
Montgomery Law Firm
(Attorney for El Paso)
P. O. Box 2307
Santa Fe, New Mexico 87504

Mr. Scott Wilson
Rio Pecos Corporation
110 West Louisiana
Suite 460
Midland, Texas 79701



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

April 29, 1986

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

Re: CASE NO. 8796
ORDER NO. R-9209

Applicant:

Rio Pecos Corporation

Dear Sir:

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

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other W. Perry Pearce, Gary L. Kilpatrick, Thomas Jensen