

July 19, 1995

HINKLE, COX, EATON,
COFFIELD & HENSLEY
Attorneys at Law
P. O. Box 2068
Santa Fe, New Mexico 87501

ATTN: Jim Bruce

**RE: CASE NO. 11313
ORDER NO. R-10424**

Dear Sir:

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

Sincerely,


Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
Bill Carr
Tom Kellahin

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P.L.L.C.*

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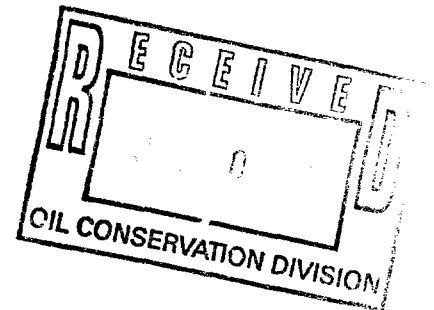
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July 10, 1995

HAND DELIVERED

Mr. William LeMay
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87501

M.S.



Re: Case No. 11,313 (Application of Santa Fe Energy Resources,
Inc. for a Unit Agreement, Lea County, New Mexico)

Dear Mr. LeMay:

Please dismiss the above case.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.

James Bruce

James Bruce

cc: W. Thomas Kellahin (via fax to: 982-2047)

JB/sp



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 23, 1995

Santa Fe Energy Resources, Inc.
c/o Hinkle, Cox, Eaton, Coffield & Hensley P.L.L.C.
Attn: James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068

Meridian Oil, Inc.
c/o Kellahin & Kellahin
Attn: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: *Case No. 11,313, Application of Santa Fe Energy Resources, Inc. for approval of its proposed Falcon Unit Agreement, Lea County, New Mexico.*

Dear Messrs. Bruce and Kellahin:

Per your correspondence both dated June 22, 1995 regarding continuance of said case from the Examiners Hearing scheduled for June 29, 1995 to July 13, 1995. Since a case before the Division involving a voluntary unit agreement is more or less a format for the State Land Office to satisfy the need for a public hearing in such matters, Meridian's request is hereby denied and said case will be heard in Hobbs, New Mexico on June 29th.

Should either of you have any further questions or comments concerning this matter, please contact me at (505) 827-8185. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
Case File 11,313
William J. LeMay - OCD Director, Santa Fe
Rand L. Carroll - Counsel, OCD, Santa Fe
Pete Martinez - New Mexico State Land Office, Santa Fe

HINKLE, COX, EATON, COFFIELD & HENSLEY

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June 22, 1995

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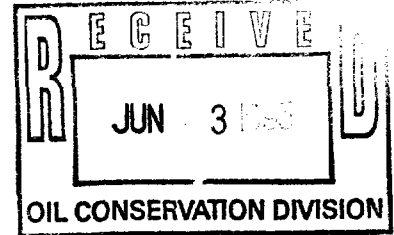
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HAND-DELIVERY

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Case No. 11313, The Application of Santa Fe Energy Resources, Inc. for Approval of a Unit Agreement, Lea County, New Mexico.

Dear Mr. Stogner:

This letter serves as a response to the entry of appearance and request for continuance filed by Meridian Oil Inc. Please be advised that Santa Fe Energy Resources, Inc. opposes Meridian's request for a continuance. This case concerns a voluntary unit, and thus Meridian is unaffected by approval of the unit. If Meridian does not ratify the Unit Agreement, its leasehold interests are completely unaffected by any approvals granted by the Oil Conservation Division, the Commissioner of Public Lands, and the Bureau of Land Management. Furthermore, Santa Fe did nothing improper by requesting a Division hearing before obtaining the approval of the Commissioner of Public Lands. In fact, the Commissioner will not approve the Unit until after the Division approves the Unit.

Based on the foregoing, we request that the above matter be heard on June 29, 1995.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.

James Bruce

cc: Curtis D. Smith
W. Thomas Kellahin, Esq. via facsimile

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