



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

April 18, 1995

Losee, Carson, Haas & Carroll
Attn: Ernest L. Carroll
P. O. Box 239
Artesia, New Mexico 88211-0239

Kellahin and Kellahin
Attn: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: Case Nos. 11,263 and 11,265, Applications of Yates Petroleum Corporation and Nearburg Exploration Company, respectively, for Compulsory Pooling Eddy County, New Mexico.

Dear Messrs. Carroll and Kellahin:

Reference is made to our conference call this morning, Tuesday, April 18, 1995, where we discussed Mr. Kellahin's letter dated April 14, 1995 requesting the continuance of both of the above-referenced cases to the June 1, 1995 hearing. Based upon my initial review of Nearburg's concern about the two existing salt water disposal wells in the North Dagger Draw-Upper Pennsylvanian Pool in Sections 21 and 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico (approved by Division Order Nos. SWD-336 and R-7637) and the potential issues they may create in this matter, postponement until June first is in order.

In addition, the parties are directed to voluntarily exchange data and if there is a dispute over the requested data, produced or to be exchanged then either party may return to the Division for decision on that topic.

The parties are directed to report to the Division on the status of their discussions on or before May 15, 1995. Hopefully both parties can utilize this time to work out a reasonable solution.

Nearburg's request for continuance of both Case Nos. 11,263 and 11,265 until June 1, 1995 is hereby approved.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kev

cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe
Rand Carroll, Counsel - OCD, Santa Fe