



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 18, 1996

*Merrion Case File:*

Hallwood Petroleum, Inc.  
c/o Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

Attention: W. Thomas Kellahin

RE: *Case 11572: Application of Hallwood Petroleum, Inc. for an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the N/2 of Section 27, Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico, thereby forming a standard 320-acre spacing and proration and proration unit for said pool. Said unit is to be dedicated to a well to be drilled and completed at a standard coal gas well location in the SE/4 NE/4 (Unit H) of said Section 27.*

Dear Mr. Kellahin:

The Division received the attached application from Merrion Oil & Gas Corporation and has set this matter for hearing on the August 8, 1996 Examiner's Docket. Merrion's application also included a request for the continuance of Hallwood's Case No. 11572 to the August 8th hearing, before rendering a decision on this request a response from Hallwood is appropriate.

Hopefully a mutually acceptable solution can be reached by both parties in all issues related to these cases.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: OCD - Aztec  
George F. Sharpe - Merrion Oil & Gas Corporation, Farmington [Telefax No. (505) 326-5900]

# MERRION

OIL & GAS

July 10, 1996

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Case 11584

**Re: Mead 27-1 Compulsory Pooling Application**  
**Section 27, T32N, R13W**  
**San Juan County, New Mexico**

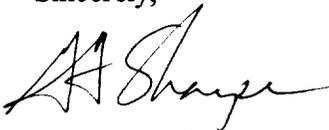
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Dear Mr. Stogner:

Per our phone conversation, enclosed are two copies of our application for compulsory pooling of the subject well. This is a "parallel" application with one already made by Hallwood Petroleum which is on the July 25, 1996 docket. We hope that case will get continued so we might hear them both on August 8, 1996.

Please call with any questions.

Sincerely,



George F. Sharpe  
Manager - Oil & Gas Investments

xc: NMOCD - Aztec  
CW, TGM  
Tommy Roberts