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October 10, 1989

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REPLY TO SANTA FE OFFICE

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OCT 10 1989

OIL CONSERVATION DIVISION

William J. Lemay, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Mallon Oil Company; Case No. 9790

Dear Mr. Lemay:

Enclosed please find the Application of Mallon Oil Company for the creation of a new Mesaverde Gas Pool in Rio Arriba County, New Mexico.

Thank you for your attention to this matter.

Sincerely,


W. Perry Pearce

WPP/rmm/299
Enclosure
cc: Joe Cox

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MALLON OIL
COMPANY FOR POOL CREATION
AND SPECIAL POOL RULES

RECEIVED

OCT 10 1989

Case No. 9790

OIL CONSERVATION DIVISION

APPLICATION

COMES NOW the applicant, Mallon Oil Company, by and through its attorneys Montgomery & Andrews, P.A., and applies to the Division for the creation of a new Mesaverde Gas Pool. In support of its application, applicant states:

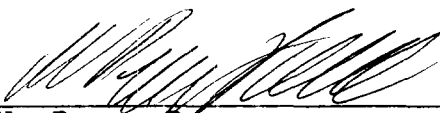
1. Mallon Oil Company in an interest owner in the Mesaverde formation in certain sections of Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Mallon Oil Company seeks the creation of a new gas pool for the Mesaverde formation to be comprised of Sections 1 through 3, 10 through 15, and 22 through 24 of that township and for the adoption of special pool rules, including a provision for 320 acre spacing and designated well locations.
3. Applicant has drilled certain gas wells which penetrated the Mesaverde formation and believes that these reserves are unconnected to other Mesaverde pools and therefore believes that the creation of a new Mesaverde pool is appropriate.

WHEREFORE, applicant, Mallon Oil Company, prays that the Division enter its order creating a new Mesaverde Gas Pool comprising the above-described sections and that it adopt special pool rules for that pool.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By



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Attorneys for Mallon Oil Company

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