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Legal File*

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July 22, 1985

RECEIVED

JUL 25 1985

CAMPBELL AND CLACK

Mr. Gilbert Quintana  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application of Zia Energy, Inc., for  
approval of unorthodox location and  
NSPU, Jalmat Gas Pool, Lea County,  
New Mexico, NMOCD Case 8639

Dear Mr. Quintana:

Last week you discussed with Karen Aubrey of our office whether or not Zia Energy had copies of return receipts showing notice to offset operators for the referenced case which was heard by you on July 2, 1985.

Please find enclosed a copy of a letter agreement between Mr. William F. Carr, on behalf of Doyle Hartman and me on behalf of Zia Energy, Inc., stipulating on mutual waivers. You will note from the record that Mr. Carr entered his appearance in this case. Mr. Hartman is the directly affected offset operator.

The only other operators in the area that might be potentially affected would be Conoco Inc. Prior to the hearing I discussed Conoco's position and possible objection with Mr. Hugh Ingram of Conoco's Hobbs Office. Mr. Ingram advised me that Conoco would not object but would not sign a waiver.

Because this matter was set for a Division hearing, we followed the Division hearing procedures which do not require certified notices to offset operators. However, we have accomplished the same result with actual notice to Conoco and Hartman.

Please call me if you have any questions.

Very truly yours,  
Original signed by  
W. THOMAS KELLAHIN  
W. Thomas Kellahin

BEFORE EXAMINER STOGNER
Oil Conservation Division
<i>Nertman</i> <del>WTK:ee</del> Exhibit No. <u>9</u>
Case No. <u>8770</u>

KELLAHIN and KELLAHIN

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cc: Mr. Ferris Nelson  
Zia Energy, Inc.  
P. O. Box 2219  
Hobbs, New Mexico 88240

William F. Carr, Esq.  
Campbell & Black  
P. O. Box 2208  
Santa Fe, New Mexico 87501