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POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELECOPIER (505) 988-4421
TELECOPIER (505) 983-6043

, 3° M.S.

July 19, 1989

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JUL 1 9 1990

OIL CONSERVATION DIVISION

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fa, New Mexico 87503

Re: Oil Conservation Division Case No. 9703
In the Matter of the Application of Meridian Oil, Inc.
for Exemption from the New Mexico Natural Gas Pricing Act

(NMPA), San Juan County, New Mexico

Dear Mr. LeMay:

I would appreciate the Division continuing the above-referenced hearing from the July 26, 1989 Examiner docket to the August 9, 1989 Examiner docket.

Your assistance in this matter is appreciated.

Very truly yours,

WILLIAM F. CARR

WFC: mlh

cc: Randolph P. Mundt, Esq.

Letitia H. White

L4.WYERS

JACK M. CAMPBELL
BRUCE D. BLACK
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June 23, 1989

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JUN 23 1989

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Care 9703

Re: In the Matter of the Application of Meridian Oil, Inc. for Exemption From the New Mexico Natural Gas Price Protection Act, San Juan County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced application of Meridian Oil, Inc. Meridian Oil, Inc. respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on July 26, 1989.

Very truly yours,

J. SCOTT HALL

JSH:mlh Enclosuces

cc w/enclosures: Letitia H. White

Randolph P. Mundt, Esq.

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue Santa Fe, New Mexico 87501 505 • 983 • 6686 Telefax No. 505 • 986 • 0741 J. E. Gallegos George F. Bingham* Michael L. Oja† Joanne Reuter Felice G. Gonzales Candace Hamann-Callahar. Harry T. Nutter

August 4, 1989

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AUG 4 1989

OIL CONSERVATION DIVISION

VIA HAND DELIVERY

William J. Lemay, Director Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87501

RE: Application of Meridian Oil, Inc. for Exemption from the New Mexico

Natural Gas Price Protection Act, San Juan County, New Mexico,

Case No. 9703

Dear Mr. Lemay:

Enclosed herewith please find a Response and Motion to Dismiss the referenced Application filed today on behalf of Gas Company of New Mexico. By this letter we request that the enclosed Motion be set for hearing in conjunction with the Application that is scheduled to be heard on Wednesday, August 8, 1989.

Your prompt attention to this matter will be greatly appreciated. Thank you for your cooperation.

Sincerely,

GALLEGOS LAW FIRM

J.E. GALLEGOS

HTN:ap

Enclosure

cc: J. Scott Hall (w/enc.)

Phyllis Bourque (w/enc.)
Russell Moore (w/enc.)

LAWYERS

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August 8, 1989

Mr. Michael Stogner
New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

VIA HAND DELIVERY

Re: Case No. 9703; Application of Meridian Oil, Inc. for Exemption from New Mexico Natural Gas Price Protection Act, San Juan County, New Mexico

Dear Mr. Stogner:

On behalf of the Applicant, Meridian Oil, Inc., we ask that this matter be continued to the examiner hearing scheduled for August 23, 1989.

Thank you for your cooperation.

Very truly yours,

J. Scott Hall

JSH: mtb

cc: J.E. Gallegos (Hand Delivery)

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAE . B. CAMPBELL
WILL AM F. CARR
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August 11, 1989

AUG 1 4 1989

OIL CONSERVATION DIV. SANTA FE

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87501

Re: Application of Meridian Oil, Inc. for Exemption from the New Mexido Natural Gas Pricing Act, San Juan County, NM; Case No. 9703

Dear Mr. LeMay:

Enclosed is the Amended Application of Meridian Oil, Inc. in the above case. The application is amended to clarify that Meridian seeks retroactive exemption for the affected infill wells. While I feel that the original application was worded to encompass such a request, the amendment will eliminate any doubt.

The application is further amended by the elimination of the Cain 3R and Reid 22R wells. As these wells are replacement wells, they will be the subject of a separate application.

Finally, I am advised that the examiner docket for August 23rd is quite heavy with several previously scheduled contested cases. As counsel for Gas Company of New Mexico has indicated this matter will be opposed, I am asking that this matter be continued to the examiner hearing set for September 6, 1989. Please let me know if this is not possible.

Thank you for your cooperation.

Very truly yours,

J. Scott Hall

JSH:mtb Enclosures

cc: Letitia White
J. E. Gallegos

LAWYERS

JACK A. CAMPBELL
BRUCE D. BLACK
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August 22, 1989

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OIL CONSERVATION DIVISION

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

VIA HAND DELIVERY

Re: Application of Meridian Oil, Inc. for Exemption from the New Mexico Natural Gas Pricing Act, San Juan County, New Mexico: Case No. 9703

Dear Mr. LeMay:

Enclosed is Meridian's Response to Gas Company's Motion to Dismiss in the above matter.

Very truly yours,

J. Scott Hall

JSH: mtb Enclosures

cc: Bob Stovall
J.E. Gallegos
Letitia White

LAWYERS

JACK 14. CAMPBELL
BRUCE D. BLACK
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August 28, 1989

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 310 Old Santa Fe Trail Santa Fe, New Mexico 87501 VIA HAND DELIVERY

Re: Application of Meridian Oil, Inc. for Exemption from the New Mexico Natural Gas Pricing Act, San Juan County, New Mexico: Case No. 9703

Dear Mr. LeMay:

The purpose of this letter is to seek an early and economical resolution to the above pending matter in view of Gas Company's apparent opposition to Meridian's application.

As you are aware, Meridian seeks exemptions from the Natural Gas Pricing Act in order to gain the release of production proceeds which Gas Company has been holding in suspense for several years. The OCD's authority to grant exemptions subsequent to the repeal of the Gas Pricing Act is well established and has been explained in our orief. It is our view that Gas Company's motion to dismiss is untenable and should be denied.

Accordingly, we propose the following:

That Gas Company's motion to dismiss be resolved as soon as possible, preferably this week. Toward this end, I would be glad to attend a conference with the Director and Gas Company counsel if such would serve to speed resolution of the matter. Should it be determined that Gas Company's motion is not well taken, then Meridian would dismiss this case from the docket and would instead seek to obtain the exemptions administratively. Administrative approval would obviate the need for a formal hearing on the exemptions and would save all parties the time and expense of having counsel and witnesses present. Moreover, as Gas Company has no property interest that could be adversely affected by this application, Gas Company is without the proper standing that would otherwise make an examiner hearing necessary. The unnecessary inconvenience of maintaining this case on the examiner docket would be avoiled as well.

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Mr. William J. LeMay, Director August 28, 1989 Page 2

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LIE CONSERVATION DIVISION

If this procedure meets with you approval, please advise at your earliest convenience so I can plan accordingly. If you feel that a conference is needed, I believe I can make myself available at almost any time this week.

Your consideration is appreciated.

Very truly yours,

J. Scott Hall

JSH:mtb

cc: Let:tia White
 J. E. Gallegos

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue Santa Fe, New Mexico 87501 505 • 983 • 6686 Telefax No. 505 • 986 • 0741 J. E. Gallegos George F. Bingham* Michael L. Oja† Joanne Reuter Felice G. Gonzales Candace Hamann-Callahan Harry T. Nutter

August 31, 1989

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AUG 31 1989

OIL CONSERVATION DIVISION

HAND DELIVERED

William J. Lemay, Director New Mexico Oil Conservation Division 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

RF.

Application of Meridian Oil, Inc. for Exemption From the New Mexico Natural Gas Pricing Act, San Juan County, New Mexico: Case No. 9703

Dear Director Lemay:

While counsel for the Gas Company of New Mexico will certainly attend a conference on this matter if one is called, you should be advised that GCNM takes exception to the contents of Scott Hall's letter to you of August 28, 1989.

This proceeding was initiated by Meridian and has twice been postponed at the last minute at Meridian's request. Each time Gas Company of New Mexico has been prepared to go forth. Now Meridian's counsel expresses a concern about time and expense, but we fear that the real motive is to side step the regular hearing process and deprive our client of both procedural due process and the right of appeal. Frankly, I am not sure what Meridian is after when, in place of a hearing, it seeks "Administrative approval . . ."

The pleadings in this case raise fundamental issues of jurisdiction of the OCD. The parties probably will present little, if any, evidence, as the matter hinges mainly on questions of law. This case must remain on the regular hearing docket and the rights of both parties to full Commission and to judicial review should be preserved.

William J. Lemay August 31, 1989 Page Two

A final note regarding Mr. Hall's attempt in his letter to argue the "standing" of GCNM. It should be readily appreciated that our client is the contract purchaser of the gas; it has both a legal and regulatory obligation to pay no more for production than contractually and lawfully proper.

Very truly yours,

GALLEGOS LAW FIRM

VE GALLEGOS

JEG:evm

Enclosure

cc: Phyllis Bourque

Dan McFearin

Scott Hall, Esq. (via hand delivery)
Michael Stagner (via hand delivery)

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue Santa Fe, New Mexico 87501 505 • 983 • 6686 Telefax No. 505 • 986 • 0741 J. E. Gallegos George F. Bingham* Michael L. Oja† Joanne Reuter Felice G. Gonzales Candace Hamann-Callahan Harry T. Nutter

September 29, 1989

VIA HAND DELIVERY

Robert G. Stovall, Esq. General Counsel Oil Conservation Division State Land Office Building Old Santa Fe Trail Santa Fe, New Mexico 87501

RE: In the Matter of the Application of Meridian Oil, Inc. for Exemption from the New Mexico Price Protection Act, OCD Case No. 9703

Dear Bob:

Enclosed please find copies of the cases cited in Respondent's Brief in Support of its Motion to Dismiss and the Reply to Applicant's Response to Gas Company's Motion to Dismiss filed on behalf of Gas Company of New Mexico by our Firm in the referenced proceeding. I apologize for failing to have furnished the enclosed cases sooner as well as for any inconvenience this may have caused.

If you have any other questions or need any other materials in regard to this, please call. In the meantime, best personal regards.

Sincerely,

GALLEGOS LAW FIRM

Jamy Wutter By

. . . _ _ .

HARRY T. NUTTER

HTN:ap

Enclosures

GAS COMPANY OF NEW MEXICO

September 30, 1988

Mer:dian Oil Company 801 Cherry Street Fort Worth, Texas 76102

RE: Infill Monies in Suspense

Gentlemen:

Our Gas Accounting Department, in conjunction with our Internal Audit Department, has brought to my attention the fact that there is still Infill monies on hold status for Southland Royalty Company since February, 1984.

Gas Company of New Mexico (GCNM) would like to make a settlement for the above mentioned liability still carried on our books. In order for the monies to be released, Meridian Oil Company (aka Southland Royalty Company) needs to obtain an Infill Pricing Exemption from the New Mexico Oil Conservation Division. After receiving confirmation that the exemption has been issued, GCNM will immediately release the monies to Meridian.

I would appreciate your helping in resolving this matter. Any questions that you may have concerning the wells involved or the Infill issue itself, please call me at (505) 888-8387.

Sircerely,

Susan Womble, Gas Supply

Dusan Wombile

Gas Contract Specialist

cj:

MILLER, STRATVERT, TORGERSON & SCHLENBERGER/ANION DIVISION LAW OFFICES RECEIVED

DANIEL E RAMCZYK

RANNE B MILLER WILLIAM K STRATVERT ALAN C TORGERSON KENDALL O SCHLENKER ALICE TOMLINSON LORENZ GREGORY W CHASE ALAN KONRAD MARGOU MCCORMICK LYMAN G SANDY STEPHEN M WILLIAMS STEPHAN M VIDMAR ROBERT C GUTIERREZ SETH V BINGHAM MICHAEL H HOSES JAMES B COLLINS TIMOTHY & BRIGGS WALTER R PARK

RUDOLPH _UCERO

DEAN G CONSTANTINE DEBORAH A SOLOVE GARY L GORDON H KEVIN HAIGHT LAWRENCE R WHITE VIRGINIA ANDERMAN C K MOSS JAMES B COONEY LEONARD J PADILLA TIMOTHY S VASQUEZ MARTE D LIGHTSTONE BRADFORD K GOODWIN NICHOLAS CULLANDER J SCOTT HALL THOMAS R MAC MICHAEL J HAPPE

AL BUOUEROUE POST OFFICE BOX BUTTET 25 ALBUQUERQUE, NM 87125 TELEPHONE (505) 842:1950 FACSIMILE (505) 243-4408

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LAS CRUCES

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OST OFFICE DRAWER 1231 LAS CRUCES, NM 88004 TELEPHONE (505) 523-2481 FACSIMILE. (505) 526-2215

SANTA FE 125 LINCOLN AVENUE SUITE 303 SANTA FE, NM 87501 TELEPHONE (505) 989-9614 FACSIMILE (505) 989-9857

PLEASE REPLY TO: SANTA FE

KENNETH R BF ANDT (1946 - 1981)

October 24, 1989

Mr. William J. LeMay, Director New Mexico Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

> Application of Meridian Oil, Inc. for Exemption from the New Mexico Natural Gas Pricing Act. San Juan County, New Mexico: Case No. 9703 1-123 S

Dear Mr. LeMay:

Please be advised that I have left the Campbell and Black law firm and have opened the Santa Fe office for the Miller, Stratvert, Torgerson and Schlenker law firm. I will continue to represent Meridian Oil on the referenced proceeding. Accordingly, please direct all future communications to me at the address listed above.

Thank you for your cooperation.

Very truly yours,

Miller, Stratvert, Torgerson & Schlenker, P.A.

Letitia White, Esq. J.E. Gallegos, Esq.

/cmt

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

February 21, 1990

POST OFFICE BOX 2088 STATE LAND OFFICE BU LDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Mr. 3cott Hall
Miller, Stratvert, Torgerson
& Schlenker
Attorneys at Law
125 Lincoln Avenue, Suite 303
Santa Fe, New Mexico

l'orene Clavidson

Re: CASE NO. 9703 ORDER NO. R-9119

Applicant:

Meridian Oil, Inc.

Dear Sir:

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

Sincerely,

FLORENE DAVIDSON

OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other J. E. Gallegos

file

MILLER, STRATVERT, TORGERSON & SCHLENKER, P. A.

LAW OFFICES

RANNE B MILLER
WILLIAM K STRATVERT
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PLEASE REPLY TO: SANTA FE

KENNETH R. BFANDT (1946 - 1981)

February 23, 1990

Mr. Robert G. Stovall
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: NMOCD Case No 9703 Application of Meridian Oil, Inc. for Exemption from the New Mexico Natural Gas Pricing Act

Dear Bob:

I received in the mail today copies of Order No. R-9119 dismissing the above application contrary to my verbal request on February 20th that dismissal be held in abeyance until further advised.

Can you please arrange for the withdrawal of the inadvertently issued order until we receive instructions to proceed? As I mentioned earlier, we will be filing a formal motion to dismiss this matter in lieu of the standard letter request. A copy of the motion will become an exhibit in a settlement agreement and will also request that the case be dismissed with prejudice. Accordingly, I believe we will need to have the order reflect dismissal with prejudice.

Thanks for your help. If I can provide additional information, please do not hesitate to call.

Very truly yours,

J. Scott Hall

JSH/ro

cc: J. H. Gallegos Tish White

....TVISIOH MILLER, STRATVERT, TORGERSON & SCHLENKER, P. A.
LAW OFFICES

DANIEL E RAMCZYK
WILLIAM K STRATVERT
ALAN C. TORGERSON

DEAN G. COMPTEND

DEA

KENDALL O. SCHLENKER ALICE TOMLINSON LORENZ GREGORY W. CHASE ALAN KONRAD MARGOJ MCCORMICK LYMAN G SANDY STEPHEN M. WILLIAMS STEPHAN M. VIDMAR ROBERT C. GUTIERREZ SETH V BINGHAM MICHAEL H HOSES TIMOTHY R BRIGGS WALTER R PARR THOMAS S. UDALL RUDOLPH LUCERO

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PLEASE REPLY TO: SANTA FE

1.1111 18 M.S. 18

KENNETH R BRANDT (1946 - 1981)

March 8, 1990

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

> NMOCD Case No. 9703: Application of Meridian Oil, Inc. for Exemption From the New Mexico Natural Gas Price Protection Act, San Juan County, New Mexico

Dear Mr. LeMay:

The parties in the above matter have recently concluded a settlement agreement in separate litigation. In part, the settlement calls for the dismissal of NMOCD Case No. 9703 with prejudice.

Accordingly, enclosed for filing is Meridian Oil's Motion to Dismiss. We request that the order of dismissal state that dismissal is with prejudice. Mr. Gallegos, counsel for Gas Company of New Mexico, concurs with dismissal.

Thank you for your cooperation.

Very truly yours, 2. Scoutfall

J. Scott Hall

JSH/ro cc w/encl.:

Daniel M. McClure Letitia White J. E. Gallegos Robert G. Stovall

MILLER, STRATVERT, TORGERSON & SCHLENKER, P. A.

LAW OFFICES

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PLEASE REPLY TO: SANTA FE

KENNETH R. BRANDT (1946 - 1981)

February 20, 1990

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Re: Case No. 9703, Application of Meridian Oil, Inc. for Exemption From The New Mexico Natural Gas Price Protection Act, San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of the Applicant, Meridian Oil, Inc., we respectfully request that the above matter be dismissed. We also request the issuance of an order of dismissal on an expedited basis. Accordingly, I am enclosing a proposed form of order for your use.

Thank you for your cooperation in this matter.

Very truly yours,

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

J. Scott Hall

JSH/ro

cc: Tish White, Meridian Oil J. E. Gallegos, GCNM

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9703 ORDER NO. R-

APPLICATION OF MERIDIAN OIL, INC. FOR EXEMPTION FROM THE NEW MEXICO NATURAL GAS PRICE PROTECTION ACT, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 6, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of February, 1990, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 9703 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL