

7. **CASE 14190:** Application of Dennis Langlitz for Authority to Inject. Applicant requests an order authorizing him to inject into the following wells:

•	Saladar Unit No. 002	30-015-02450	L-33-20S-28E
•	Saladar Unit No. 004	30-015-02446	K-33-20S-28E
•	Saladar Unit No. 006	30-015-02448	K-33-20S-28E
•	Saladar Unit No. 007	30-015-10468	N-33-20S-28E
•	Saladar Unit No. 008	30-015-02449	N-33-20S-28E
•	Saladar Unit No. 012	30-015-24179	K-33-20S-28E

Applicant seeks authorization to inject into the Yates Formation. The wells are located approximately eight (8) miles northeast of Carlsbad, in Eddy County, New Mexico.

8. **CASE 14162:** (Continued from the September 18, 2008 Examiner Hearing.)

Application of Merrion Oil and Gas, Corp. for compulsory pooling in San Juan County, New Mexico. Merrion Oil and Gas, Corp. seeks an order pooling all unleased and uncommitted mineral interest and all uncommitted working interest owners in the Basin Fruitland Coal Pool in the W/2 of Section 9, Township 29N, Range 13W, NMPM, forming a standard 320 acre spacing unit for said Pool. The spacing unit will be dedicated to the drilling of the Glade Park 1 well in the NW/4 and the Glade Park 2 well in the SW/4. Also to be considered will be the cost of drilling and completing both wells and the allocation of cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. This spacing unit is located inside the city limits of Farmington, New Mexico.

9. **CASE 14191:** Application of Redwolf Production, Inc., for Expansion of the Special Infill Well Area and for Exception to the Well Density Provisions of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Applicant seeks an order expanding the Special Infill Well Area established pursuant to Order No. R-11775 and providing for an exception to the well location provisions of the Rules and Regulations for the Basin-Fruitland Coal Gas Pool (71629) for the drilling of an original and one infill well within the SE/4 of a standard spacing and proration unit consisting of the S/2 of Section 25, Township 30 North, Range 15 West NMPM in San Juan County, New Mexico. Applicant operates the following well drilled to the Fruitland Coal Formation in the SE/4 of Section 25:

Kelly FC Well No. 1
(API No. 3004533326)
1180' FSL & 900' FEL (Unit P)

Redwolf seeks authorization to drill an additional Basin-Fruitland Coal Gas infill well at a standard location within the SE/4 of Section 25:

Kelly FC Well No. 1-H
Section 25: NE/4 SE/4 (Unit I)

The lands and wells are located approximately six miles northwest of Farmington, New Mexico.

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

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2008 SEP 29 PM 4 36

REPORTER'S TRANSCRIPT OF PROCEEDINGS

PREHEARING TRANSCRIPT

BEFORE: DAVID K. BROOKS, Legal Examiner
RICHARD EZEANYIM, Technical Examiner
TERRY G. WARNELL, Technical Examiner

September 18, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Legal Examiner, RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL, Technical Examiner, on Thursday, September 18, 2008, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102



1 MR. EZEANYIM: Good morning, ladies and gentlemen.
 2 Today is September 18th, 2008. We are going to consider
 3 Docket No. 32-08. I think I'm seeing a lot of new faces here,
 4 so I will go ahead and introduce myself again.

5 My name is Richard Ezeanyim. I'm going to be the
 6 Hearing Examiner today. By my left is the honorable David
 7 Brooks, who is going to be Legal Examiner. On my right is
 8 Terry Warnell, who is going to be assisting.

9 First of all, we will call the continuances and
 10 dismissals for Docket 32-08.

11 On page 1, Case No. 14136 is dismissed.

12 Page 2, Case No. 14162 is continued to October 16th.

13 On page 3, Case No. 14182 is dismissed.

14 Case No. 14178 is continued to October 15th. This is
 15 an off-docket case.

16 Case No. 14173 is continued to October 2nd.

17 On page 4, Case No. 14147 is continued to
 18 October 16th.

19 On page 5, Case No. 14148 is continued to
 20 October 16th.

21 Case No. 14168 is continued to October 2nd.

22 Case No. 14155 is dismissed.

23 Are there any other dismissals or continuances at
 24 this point?
 25

I hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. _____
 heard by me on _____

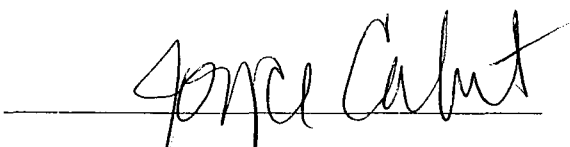
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REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.

DATED this 18th of September, 2008.


JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/09

Davidson, Florene, EMNRD

From: George Sharpe [GSharpe@merrion.bz]
Sent: Monday, August 04, 2008 3:19 PM
To: Davidson, Florene, EMNRD
Cc: Briana Campbell; Martha Goats; Tommy Roberts
Subject: RE: Compulsory Pooling - Request for Continuance

Thank you Theresa. That is what I wanted to hear.

From: Davidson, Florene, EMNRD [mailto:florene.davidson@state.nm.us]
Sent: Monday, August 04, 2008 3:19 PM
To: George Sharpe
Cc: Macquesten, Gail, EMNRD; Davidson, Florene, EMNRD
Subject: RE: Compulsory Pooling - Request for Continuance

Good afternoon Mr. Sharpe,

Ms. Davidson is out of the office. In her absence I am responding to emails sent to her.

Thank you for your request of information regarding Case 14162 and Case 14163. OCD is in receipt of your request for continuance of these cases. Upon receipt, a copy of the request was provided to the hearing examiner scheduled for August 7, 2008. The continuance was granted and the cases are scheduled to appear on the August 21 docket, not yet prepared.

Please let me know if you have any further questions.

Theresa Duran-Saenz

From: George Sharpe [mailto:GSharpe@merrion.bz]
Sent: Monday, August 04, 2008 9:56 AM
To: George Sharpe; Davidson, Florene, EMNRD
Cc: Tommy Roberts; Briana Campbell
Subject: Compulsory Pooling - Request for Continuance

Florene,

We sent the attached letters certified and got notice that you had received them. However, a landowner who checked on the status of the applications seems to think they are still on the August 8th docket instead of the 21st. Please confirm that they have been continued until the 21st.

Thanks,

George

From: George Sharpe
Sent: Friday, July 11, 2008 6:51 AM
To: 'Davidson, Florene, EMNRD'
Cc: Tommy Roberts
Subject: RE: advertisements for compulsory pooling applications

8/4/2008

Thank you very much for your help, Florene.

From: Davidson, Florene, EMNRD [mailto:florene.davidson@state.nm.us]
Sent: Thursday, July 10, 2008 4:07 PM
To: George Sharpe
Subject: RE: advertisements for compulsory pooling applications

Mr. Sharpe, your applications are set for the August 7 hearing, but you may continue them at any time. I gave you the wrong information about the pre-hearing statements. They are due no later than 5:00 p.m., Mountain Time, on the Thursday before the hearing date. If you do continue your cases, the pre-hearing statements won't be due until this deadline for the continued date.

If you need any further information, please let me know.

Florene

From: George Sharpe [mailto:GSharpe@merrion.bz]
Sent: Thursday, July 10, 2008 3:43 PM
To: Davidson, Florene, EMNRD
Subject: FW: advertisements for compulsory pooling applications

Florene,

I sent these earlier to Theresa but did not hear back. I just want to make sure we get the ads in in time.

Thanks

George Sharpe

From: George Sharpe
Sent: Thursday, July 10, 2008 1:06 PM
To: 'theresa.duran-saenz@state.nm.us'
Cc: Tommy Roberts; 0-MOG - Briana Campbell
Subject: advertisements for compulsory pooling applications

Theresa,

Attached per your request are advertisements for out two applications. Please confirm that you got them and that they are acceptable.

Again, we would like to go ahead and advertise for August 7, but intend to submit a letter asking that the cases be continued until the 21st. I'm assuming we still need to submit our prehearing statement 20 days prior to the 7th?

Thank you for your help.

Sincerely,

George Sharpe
Investment Manager
Merrion Oil & Gas
610 Reilly Ave
Farmington, New Mexico 87401

8/4/2008

505-324-5314 office
505-402-5798 cell

Information from ESET NOD32 Antivirus, version of virus signature database 3259
(20080710)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

Information from ESET NOD32 Antivirus, version of virus signature database 3259
(20080710)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

Information from ESET NOD32 Antivirus, version of virus signature database 3260
(20080710)

The message was checked by ESET NOD32 Antivirus.

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Information from ESET NOD32 Antivirus, version of virus signature database 3260
(20080710)

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<http://www.eset.com>

Information from ESET NOD32 Antivirus, version of virus signature database 3324

8/4/2008

(20080804) _____

The message was checked by ESET NOD32 Antivirus.

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8/4/2008



November 11, 2008

NMOCD
ATTN: Florene Davidson

Ms. Davidson,

Merrion Oil and Gas is requesting that Case #14162, scheduled for this upcoming Thursday, November 13, 2008, be rescheduled for the hearing on December 18, 2008.

If you have any questions, please call me at (505) 324-5325 or e-mail me at bcampbell@merrion.bz.

Sincerely,

A handwritten signature in cursive script that reads "Briana Campbell". The signature is written in dark ink and is positioned below the word "Sincerely,".

Briana Campbell