



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 23, 1993

POST OFFICE BOX 2098
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

Attention: Dorothea Owens

Administrative Order DD-79

Dear Ms. Owens:

The Division is in receipt of your application dated March 31, 1993 for approval to re-enter the previously plugged and abandoned Hilliard Oil & Gas, Inc. Bonds Well No. 1 and intentionally deviate from the existing vertical portion of the wellbore to a predetermined bottom-hole location within the Devonian formation.

The subject well, located 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, was originally drilled by Hanson Oil Corporation in mid-1976 to a total depth of 12,763 feet, the Devonian formation tested dry and was subsequently plugged and abandoned in September, 1976. In mid-1979 Hilliard Oil & Gas, Inc. obtained proper authorization, by Division Order No. R-6089 issued in Case 6629 and dated August 28, 1979, to re-enter the well and deviate in a northwesterly direction (proposed bottom-hole location was to be within a 100-foot radius of a point 1325 feet from the North line and 430 feet from the East line of said Section 20) to test the Devonian formation. Again this well was plugged and abandoned when, as reported, "the new deviated wellbore drilled back into the old hole".

It is our understanding that Maralo, Inc. re-entered this well on January 30, 1993 and on March 21, 1993 had completed directional drilling to a total depth of 12,650 feet STTD (12,620 feet TVD).

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations.
- (2) Notification in this instance is unnecessary since Maralo, Inc. is the operator of all surrounding tracts.

(3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 have been or will be met

It Is Therefore Ordered That:

(1) The application of Maralo, Inc. to re-enter the previously plugged and abandoned Hilliard Oil & Gas, Inc. Bonds Well No. 1, located 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, and intentionally deviate from the existing vertical portion of the wellbore to a predetermined standard bottom-hole oil well location within the Devonian formation is hereby **approved**.

(2) Official notice of this well's directional survey ran by Scientific Drilling International of Midland, Texas and dated March 21, 1993 is hereby recognized and that the subject well has been intentionally deviated in the following manner:

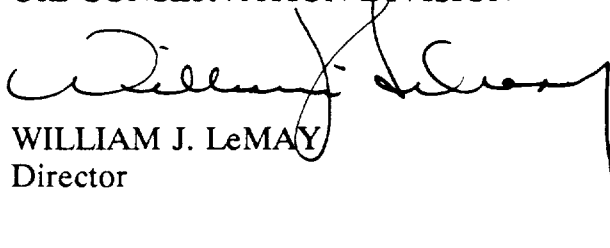
At a kick-off point of approximately 10,483 feet a deviated hole was drilled in a west-southwesterly direction until a measured depth of 12,650 feet was obtained. The bottomhole location at this point is 1736 feet from the South line and 683 feet from the East line of said Section 20, well within the standard drilling window for well's developed on 40-acre spacing.

(3) The SE/4 NE/4 of said Section 20 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

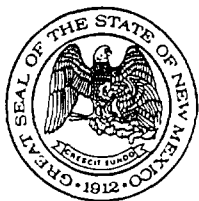
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LeMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs
Case File: 10670
Michael E. Stogner, Chief Hearing Officer - Santa Fe



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 15, 1993

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

Maralo, Inc.
P.O. Box 832
Midland, TX 79702

Attention: Dorothea Owens

**RE: Application for Exception to Division General Rule 111.
Bonds Well No. 1; Unit H, Section 20, Township 9 South,
Range 35 East, Lea County, New Mexico.**

Dear Ms. Owens:

I am in receipt of your letter dated April 12, 1993 with the directional survey for the subject re-entry. I am a little confused with conflicting data between PI's Drilling Progress Report for this well and the information supplied me to date. To alleviate this confusion, please provide me a copy of Maralo's daily drilling report (morning phone report) for this well.

Should you have any questions or comments, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

xc: Oil Conservation Division - Hobbs
William J. LeMay - Director
William F. Carr - Santa Fe
Richard A. Gill - Division Engineer, Midland
Case File: 10670



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



April 5, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

Attn: Dorothea Owens

Re: Application for Exception to Division
General Rule 111. Bonds Well No. 1;
H-20-T9S-R35E, Lea County, New Mexico.

Dear Ms. Owens:

The Division is in receipt of your application dated March 31, 1993 for approval to re-enter the previously plugged and abandoned Hilliard Oil & Gas, Inc. Bonds Well No. 1 and intentionally deviate from the existing vertical portion of the wellbore to a predetermined bottom-hole location within the Devonian formation.

So that there is no misunderstanding due to calculation error on my part, please provide me a two dimensional diagram with tables, including rectangular coordinates with respect to the surface location and kick-off point, showing the exact track of Maralo's deviated wellbore.

As stated in my letter to Mr. Carr, dated March 29, 1993, an order in Case No. 10670 will be delayed until such time as this matter is resolved.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
William J. LeMay - Director
Case File: 10670
William F. Carr - Santa Fe
Richard A. Gill - Division Engineer, Midland



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 3, 1993

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

William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 88504-2208

RE: Division Case No. 10670. Application of Maralo, Inc. for pool creation, special pool rules and discovery allowable, Lea County, New Mexico.

Dear Mr. Carr:

I am in receipt of the form C-101 for the Bonds Well No. 1 that you sent over yesterday, however, I still need the Division's authorization for an exception to Rule 111 on this well. Such approval would be either an administrative order designated "DD" for directional drilling or an "R-Order" if there had been a hearing.

As your client stated at the hearing, this information is available and is necessary in order to process this application in a timely manner.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/āmg

cc: Oil Conservation Division - Hobbs
William J. LeMay - Director, OCD
Case File: 10670



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 23, 1993

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

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

Attention: Dorothea Owens

Administrative Order DD-79

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The subject well, located 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, was originally drilled by Hanson Oil Corporation in mid-1976 to a total depth of 12,763 feet, the Devonian formation tested dry and was subsequently plugged and abandoned in September, 1976. In mid-1979 Hilliard Oil & Gas, Inc. obtained proper authorization, by Division Order No. R-6089 issued in Case 6629 and dated August 28, 1979, to re-enter the well and deviate in a northwesterly direction (proposed bottom-hole location was to be within a 100-foot radius of a point 1325 feet from the North line and 430 feet from the East line of said Section 20) to test the Devonian formation. Again this well was plugged and abandoned when, as reported, "the new deviated wellbore drilled back into the old hole".

It is our understanding that Maralo, Inc. re-entered this well on January 30, 1993 and on March 21, 1993 had completed directional drilling to a total depth of 12,650 feet STTD (12,620 feet TVD).

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations.
- (2) Notification in this instance is unnecessary since Maralo, Inc. is the operator of all surrounding tracts.

(3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 have been or will be met

It Is Therefore Ordered That:

(1) The application of Maralo, Inc. to re-enter the previously plugged and abandoned Hilliard Oil & Gas, Inc. Bonds Well No. 1, located 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, and intentionally deviate from the existing vertical portion of the wellbore to a predetermined standard bottom-hole oil well location within the Devonian formation is hereby **approved**.

(2) Official notice of this well's directional survey ran by Scientific Drilling International of Midland, Texas and dated March 21, 1993 is hereby recognized and that the subject well has been intentionally deviated in the following manner:

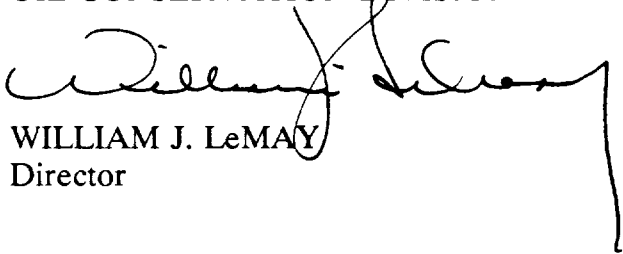
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(3) The SE/4 NE/4 of said Section 20 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LeMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs
Case File: 10670
Michael E. Stogner, Chief Hearing Officer - Santa Fe



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

June 15, 1993

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10670
ORDER NO. R-9912

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Sally E. Leichtle".

Sally E. Leichtle
Administrative Secretary

cc: BLM Carlsbad Office
Monika Romero - OCD
Donna McDonald - OCD
Alvin Tapia - OCD

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

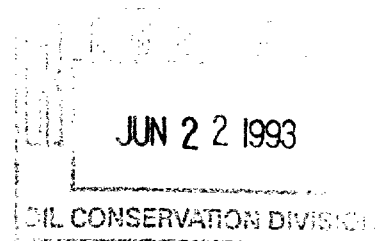
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 22, 1993

HAND-DELIVERED

Robert G. Stovall
General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Re: Case 10670 (Reopened):
In the Matter of the Application of Maralo Inc. to Reopen Case 10670, Lea
County, New Mexico

Dear Bob:

Enclosed is a copy of the application and legal advertisement which I filed in the above-referenced case on this date.

As you will note I have indicated on the ad that in the absence of objection the case will be taken under advisement.

You will also note that I have attached an affidavit from Shane Lough of Maralo addressing those factual issues which relate to this application.

If you have questions concerning the enclosed, please advise.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Bill", written in a cursive style.

WILLIAM F. CARR
ATTORNEY FOR MARALO INC.

WFC:mlh

Enclosure

cc: Mr. Shane Lough (w/enclosures)
Maralo Inc.
Post Office Box 832
Midland, TX 79702

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)

JUN 22 1993

APPLICATION DIVISION

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division to reopen Case 10670 for the purpose of setting an effective date of March 1, 1993 for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Order No. R-9912 and in support thereof states:

1. On January 26, 1993, Maralo, Inc. filed an application with the Division seeking the creation of a new pool as the result of the discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and the promulgation of special pool rules and regulations for this pool including 80-acre spacing or proration units, special well location requirements and a discovery allowable. The request for a discovery allowable was subsequently dismissed at the request of the applicant.

2. At the February 18, 1993 hearing on this application certain questions arose concerning operations of the Bonds Well No. 1 located in the Northeast quarter of Section 20, Township 9 South, Range 35 East, which had recently been reentered by Maralo. This well had previously been reentered and directionally drilled pursuant to Division Order R-

6089 by Hilliard Oil and Gas, and was plugged and abandoned in October, 1979. Maralo reentered the well on January 26, 1993 and directionally drilled it to another bottomhole location. Since the Division requires an operator to obtain a new order approving operations of this nature, the entry of an order on Maralo's application for Pool Creation and Special Pool Rules and Regulations in Case 10670 was delayed pending resolution of the issues concerning the drilling of the Bonds No. 1 Well.

3. By Order No. R-9912 entered on June 15, 1993, the Division granted Maralo's application in Case 10670, created the Northeast Jenkins-Devonian Pool and promulgated Temporary Special Pool Rules and Regulations for this pool, including provisions for 80-acre spacing and proration units.

4. At the February 18, 1993 hearing, Maralo proposed an 80-acre spacing unit for its Barnes "20" Well No. 1 comprised of the East half of the Northwest quarter of said Section 20. However, if the Special Rules for the Northeast Jenkins-Devonian Pool are not effective prior to March 23, 1993, the lease covering the forty acres in the Southeast quarter of the Northwest quarter will expire. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

5. There are no other operators within the Northeast Jenkins-Devonian Pool nor operators of Devonian wells within a mile of these pool boundaries to whom notice of this application must be given pursuant to Division rules. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

6. The reopening of this case and the establishment of an effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool of

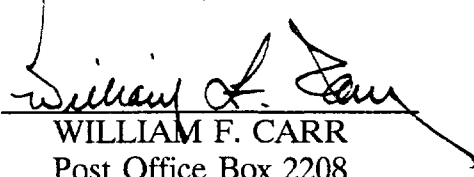
March 1, 1993 will maintain the current equity in existing wells, will permit the owners in the SE/4 NE/4 of Section 20 to share in the Devonian reserves being drained from their acreage, will result in orderly development of this pool and is otherwise in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 15, 1993, and that after notice and hearing as required by law, this case be reopened and an effective date of March 1, 1993 be set for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)

JUN 22 1993

AFFIDAVIT

CARL SHANE LOUGH, having been duly sworn, upon oath states:

1. I am Senior Staff Geologist for Maralo, Inc. in Midland, Texas.
2. I am the geologist responsible for the Barnes 20 No. 1 Well which was drilled in 1992 at a location 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
3. As part of my job with Maralo, Inc. I have become familiar with the ownership of the lands in this area, including the owners within one mile of the Northeast Jenkins-Devonian Pool (E/2 NW/4 of said Section 20) and also with the Devonian operators in this area.
4. There are no owners of unleased minerals in the Northeast Jenkins-Devonian Pool.
5. Maralo, Inc. is the only operator in this pool and there are no other operators of Devonian wells within one mile of the boundaries of the Northeast Jenkins-Devonian Pool.

6. The 80-acres which is comprised of the E/2 NW/4 of Section 20 is the only 80-acre tract in the NW/4 of this Section which contains hydrocarbons in the Devonian formation and therefore is the appropriate acreage to dedicate to the Maralo Barnes 20 No. 1 Well.

7. The lease covering the SE/4 NW/4 has an expiration date of March 23, 1993.

8. An effective date of March 1, 1993 for the Temporary Special Rules for the Northeast Jenkins-Devonian Pool will permit the dedication to the Barnes 20 No. 1 Well of the acreage that will be drained thereby.

WHEREFORE AFFIANT SAYETH NAUGHT.

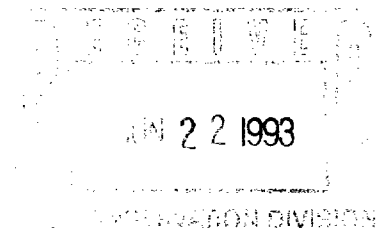
CARL SHANE LOUGH

SUBSCRIBED AND SWORN to before me this ____ day of June, 1993.

Notary Public

My Commission Expires:

CASE 10670 (Reopened): In the matter of Case No. 10670 being reopened upon the application of Maralo, Inc. to set an effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Division Order No. R-9912, Lea County, New Mexico. Division Order No. R-9912, issued in Case 10670 and dated June 15, 1993, granted the application of Maralo, Inc. for the creation of a new Devonian Pool and the promulgation of Temporary Special Rules and Regulations therefore including provisions for 80-acre spacing and special well location requirements. At this time, Maralo, Inc. requests the Division enter an Order reopening Case 10670 and establishing an effective date of March 1, 1993 for the Temporary Special Rules and Regulations for this pool. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.



CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
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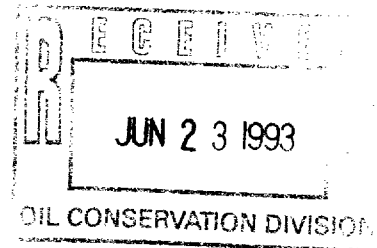
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 23, 1993

HAND-DELIVERED

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



Re: Oil Conservation Division Case No. 10670 (Reopened):
In the Matter of the Application of Maralo, Inc. to Reopen Case 10670, Lea
County, New Mexico

Dear Mr. LeMay:

Enclosed is the executed Affidavit of Carl Shane Lough which should be attached to the application filed on behalf of Maralo, Inc. in this matter on June 22, 1993.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR
WFC:mlh

Enclosure

cc: Mr. C. Shane Lough (w/enclosure)

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

IN THE MATTER OF THE APPLICATION
OF MARALO INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)

JUN 23 1993

AFFIDAVIT

OIL CONSERVATION DIVISION

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WHEREFORE AFFIANT SAYETH NAUGHT.

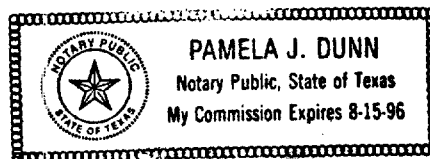
Carl Shane Lough
CARL SHANE LOUGH

SUBSCRIBED AND SWORN to before me this 22nd day of June, 1993.

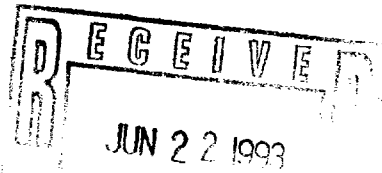
Pamela J. Dunn
NOTARY PUBLIC

My Commission Expires:

8-15-96



CASE 10670 (Reopened): In the matter of Case No. 10670 being reopened upon the application of Maralo, Inc. to set an effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Division Order No. R-9912, Lea County, New Mexico. Division Order No. R-9912, issued in Case 10670 and dated June 15, 1993, granted the application of Maralo, Inc. for the creation of a new Devonian Pool and the promulgation of Temporary Special Rules and Regulations therefore including provisions for 80-acre spacing and special well location requirements. At this time, Maralo, Inc. requests the Division enter an Order reopening Case 10670 and establishing an effective date of March 1, 1993 for the Temporary Special Rules and Regulations for this pool. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.



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& SHERIDAN, P.A.
LAWYERS

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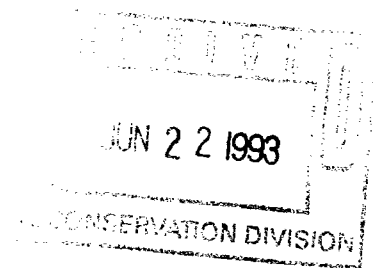
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 22, 1993

HAND-DELIVERED

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



Re: Oil Conservation Division Case No. 10670 (Reopened):
Application of Maralo, Inc. to Reopen Case 10670, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo, Inc. in the above-referenced case as well as a copy of a legal advertisement. Maralo, Inc. respectfully requests that this matter be placed on the docket for the July 15, 1993 Examiner hearings.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Carl Shane Lough (w/enclosures)

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)

JUN 22 1993

OIL CONSERVATION DIVISION
APPLICATION

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division to reopen Case 10670 for the purpose of setting an effective data of March 1, 1993 for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Order No. R-9912 and in support thereof states:

1. On January 26, 1993, Maralo, Inc. filed an application with the Division seeking the creation of a new pool as the result of the discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and the promulgation of special pool rules and regulations for this pool including 80-acre spacing or proration units, special well location requirements and a discovery allowable. The request for a discovery allowable was subsequently dismissed at the request of the applicant.

2. At the February 18, 1993 hearing on this application certain questions arose concerning operations of the Bonds Well No. 1 located in the Northeast quarter of Section 20, Township 9 South, Range 35 East, which had recently been reentered by Maralo. This well had previously been reentered and directionally drilled pursuant to Division Order R-

6089 by Hilliard Oil and Gas, and was plugged and abandoned in October, 1979. Maralo reentered the well on January 26, 1993 and directionally drilled it to another bottomhole location. Since the Division requires an operator to obtain a new order approving operations of this nature, the entry of an order on Maralo's application for Pool Creation and Special Pool Rules and Regulations in Case 10670 was delayed pending resolution of the issues concerning the drilling of the Bonds No. 1 Well.

3. By Order No. R-9912 entered on June 15, 1993, the Division granted Maralo's application in Case 10670, created the Northeast Jenkins-Devonian Pool and promulgated Temporary Special Pool Rules and Regulations for this pool, including provisions for 80-acre spacing and proration units.

4. At the February 18, 1993 hearing, Maralo proposed an 80-acre spacing unit for its Barnes "20" Well No. 1 comprised of the East half of the Northwest quarter of said Section 20. However, if the Special Rules for the Northeast Jenkins-Devonian Pool are not effective prior to March 23, 1993, the lease covering the forty acres in the Southeast quarter of the Northwest quarter will expire. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

5. There are no other operators within the Northeast Jenkins-Devonian Pool nor operators of Devonian wells within a mile of these pool boundaries to whom notice of this application must be given pursuant to Division rules. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

6. The reopening of this case and the establishment of an effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool of

March 1, 1993 will maintain the current equity in existing wells, will permit the owners in the SE/4 NE/4 of Section 20 to share in the Devonian reserves being drained from their acreage, will result in orderly development of this pool and is otherwise in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 15, 1993, and that after notice and hearing as required by law, this case be reopened and an effective date of March 1, 1993 be set for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE NO. 10670
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)

AFFIDAVIT

CARL SHANE LOUGH, having been duly sworn, upon oath states:

1. I am Senior Staff Geologist for Maralo, Inc. in Midland, Texas.
2. I am the geologist responsible for the Barnes 20 No. 1 Well which was drilled in 1992 at a location 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
3. As part of my job with Maralo, Inc. I have become familiar with the ownership of the lands in this area, including the owners within one mile of the Northeast Jenkins-Devonian Pool (E/2 NW/4 of said Section 20) and also with the Devonian operators in this area.
4. There are no owners of unleased minerals in the Northeast Jenkins-Devonian Pool.
5. Maralo, Inc. is the only operator in this pool and there are no other operators of Devonian wells within one mile of the boundaries of the Northeast Jenkins-Devonian Pool.

6. The 80-acres which is comprised of the E/2 NW/4 of Section 20 is the only 80-acre tract in the NW/4 of this Section which contains hydrocarbons in the Devonian formation and therefore is the appropriate acreage to dedicate to the Maralo Barnes 20 No. 1 Well.

7. The lease covering the SE/4 NW/4 has an expiration date of March 23, 1993.

8. An effective date of March 1, 1993 for the Temporary Special Rules for the Northeast Jenkins-Devonian Pool will permit the dedication to the Barnes 20 No. 1 Well of the acreage that will be drained thereby.

WHEREFORE AFFIANT SAYETH NAUGHT.

CARL SHANE LOUGH

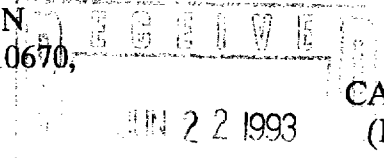
SUBSCRIBED AND SWORN to before me this ____ day of June, 1993.

Notary Public

My Commission Expires:

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.



CASE NO. 10670
(Reopened)

APPLICATION

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division to reopen Case 10670 for the purpose of setting an effective date of March 1, 1993 for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Order No. R-9912 and in support thereof states:

1. On January 26, 1993, Maralo, Inc. filed an application with the Division seeking the creation of a new pool as the result of the discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and the promulgation of special pool rules and regulations for this pool including 80-acre spacing or proration units, special well location requirements and a discovery allowable. The request for a discovery allowable was subsequently dismissed at the request of the applicant.

2. At the February 18, 1993 hearing on this application certain questions arose concerning operations of the Bonds Well No. 1 located in the Northeast quarter of Section 20, Township 9 South, Range 35 East, which had recently been reentered by Maralo. This well had previously been reentered and directionally drilled pursuant to Division Order R-

6089 by Hilliard Oil and Gas, and was plugged and abandoned in October, 1979. Maralo reentered the well on January 26, 1993 and directionally drilled it to another bottomhole location. Since the Division requires an operator to obtain a new order approving operations of this nature, the entry of an order on Maralo's application for Pool Creation and Special Pool Rules and Regulations in Case 10670 was delayed pending resolution of the issues concerning the drilling of the Bonds No. 1 Well.

3. By Order No. R-9912 entered on June 15, 1993, the Division granted Maralo's application in Case 10670, created the Northeast Jenkins-Devonian Pool and promulgated Temporary Special Pool Rules and Regulations for this pool, including provisions for 80-acre spacing and proration units.

4. At the February 18, 1993 hearing, Maralo proposed an 80-acre spacing unit for its Barnes "20" Well No. 1 comprised of the East half of the Northwest quarter of said Section 20. However, if the Special Rules for the Northeast Jenkins-Devonian Pool are not effective prior to March 23, 1993, the lease covering the forty acres in the Southeast quarter of the Northwest quarter will expire. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

5. There are no other operators within the Northeast Jenkins-Devonian Pool nor operators of Devonian wells within a mile of these pool boundaries to whom notice of this application must be given pursuant to Division rules. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

6. The reopening of this case and the establishment of an effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool of

March 1, 1993 will maintain the current equity in existing wells, will permit the owners in the SE/4 NE/4 of Section 20 to share in the Devonian reserves being drained from their acreage, will result in orderly development of this pool and is otherwise in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 15, 1993, and that after notice and hearing as required by law, this case be reopened and an effective date of March 1, 1993 be set for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

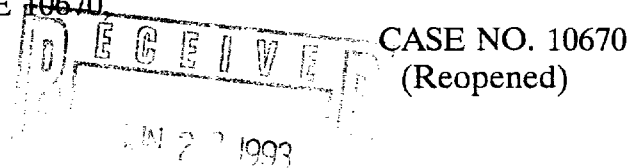
By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670
LEA COUNTY, NEW MEXICO.



AFFIDAVIT

CARL SHANE LOUGH, having been duly sworn, upon oath states:

1. I am Senior Staff Geologist for Maralo, Inc. in Midland, Texas.
2. I am the geologist responsible for the Barnes 20 No. 1 Well which was drilled in 1992 at a location 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
3. As part of my job with Maralo, Inc. I have become familiar with the ownership of the lands in this area, including the owners within one mile of the Northeast Jenkins-Devonian Pool (E/2 NW/4 of said Section 20) and also with the Devonian operators in this area.
4. There are no owners of unleased minerals in the Northeast Jenkins-Devonian Pool.
5. Maralo, Inc. is the only operator in this pool and there are no other operators of Devonian wells within one mile of the boundaries of the Northeast Jenkins-Devonian Pool.

6. The 80-acres which is comprised of the E/2 NW/4 of Section 20 is the only 80-acre tract in the NW/4 of this Section which contains hydrocarbons in the Devonian formation and therefore is the appropriate acreage to dedicate to the Maralo Barnes 20 No. 1 Well.

7. The lease covering the SE/4 NW/4 has an expiration date of March 23, 1993.

8. An effective date of March 1, 1993 for the Temporary Special Rules for the Northeast Jenkins-Devonian Pool will permit the dedication to the Barnes 20 No. 1 Well of the acreage that will be drained thereby.

WHEREFORE AFFIANT SAYETH NAUGHT.

CARL SHANE LOUGH

SUBSCRIBED AND SWORN to before me this ____ day of June, 1993.

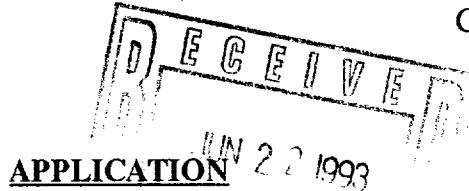
Notary Public

My Commission Expires:

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.

CASE NO. 10670
(Reopened)



MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division to reopen Case 10670 for the purpose of setting an effective date of March 1, 1993 for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool promulgated by Order No. R-9912 and in support thereof states:

1. On January 26, 1993, Maralo, Inc. filed an application with the Division seeking the creation of a new pool as the result of the discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and the promulgation of special pool rules and regulations for this pool including 80-acre spacing or proration units, special well location requirements and a discovery allowable. The request for a discovery allowable was subsequently dismissed at the request of the applicant.

2. At the February 18, 1993 hearing on this application certain questions arose concerning operations of the Bonds Well No. 1 located in the Northeast quarter of Section 20, Township 9 South, Range 35 East, which had recently been reentered by Maralo. This well had previously been reentered and directionally drilled pursuant to Division Order R-

6089 by Hilliard Oil and Gas, and was plugged and abandoned in October, 1979. Maralo reentered the well on January 26, 1993 and directionally drilled it to another bottomhole location. Since the Division requires an operator to obtain a new order approving operations of this nature, the entry of an order on Maralo's application for Pool Creation and Special Pool Rules and Regulations in Case 10670 was delayed pending resolution of the issues concerning the drilling of the Bonds No. 1 Well.

3. By Order No. R-9912 entered on June 15, 1993, the Division granted Maralo's application in Case 10670, created the Northeast Jenkins-Devonian Pool and promulgated Temporary Special Pool Rules and Regulations for this pool, including provisions for 80-acre spacing and proration units.

4. At the February 18, 1993 hearing, Maralo proposed an 80-acre spacing unit for its Barnes "20" Well No. 1 comprised of the East half of the Northwest quarter of said Section 20. However, if the Special Rules for the Northeast Jenkins-Devonian Pool are not effective prior to March 23, 1993, the lease covering the forty acres in the Southeast quarter of the Northwest quarter will expire. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

5. There are no other operators within the Northeast Jenkins-Devonian Pool nor operators of Devonian wells within a mile of these pool boundaries to whom notice of this application must be given pursuant to Division rules. See Affidavit of Carl Shane Lough attached hereto as Exhibit A.

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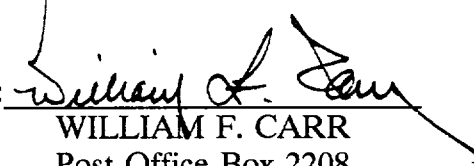
March 1, 1993 will maintain the current equity in existing wells, will permit the owners in the SE/4 NE/4 of Section 20 to share in the Devonian reserves being drained from their acreage, will result in orderly development of this pool and is otherwise in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 15, 1993, and that after notice and hearing as required by law, this case be reopened and an effective date of March 1, 1993 be set for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

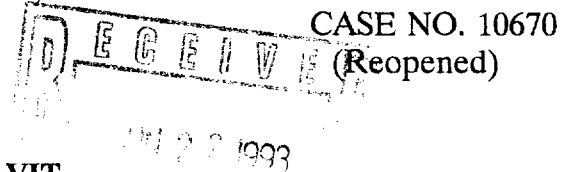
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

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

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. TO REOPEN CASE 10670,
LEA COUNTY, NEW MEXICO.



AFFIDAVIT

CARL SHANE LOUGH, having been duly sworn, upon oath states:

1. I am Senior Staff Geologist for Maralo, Inc. in Midland, Texas.
2. I am the geologist responsible for the Barnes 20 No. 1 Well which was drilled in 1992 at a location 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
3. As part of my job with Maralo, Inc. I have become familiar with the ownership of the lands in this area, including the owners within one mile of the Northeast Jenkins-Devonian Pool (E/2 NW/4 of said Section 20) and also with the Devonian operators in this area.
4. There are no owners of unleased minerals in the Northeast Jenkins-Devonian Pool.
5. Maralo, Inc. is the only operator in this pool and there are no other operators of Devonian wells within one mile of the boundaries of the Northeast Jenkins-Devonian Pool.

6. The 80-acres which is comprised of the E/2 NW/4 of Section 20 is the only 80-acre tract in the NW/4 of this Section which contains hydrocarbons in the Devonian formation and therefore is the appropriate acreage to dedicate to the Maralo Barnes 20 No. 1 Well.

7. The lease covering the SE/4 NW/4 has an expiration date of March 23, 1993.

8. An effective date of March 1, 1993 for the Temporary Special Rules for the Northeast Jenkins-Devonian Pool will permit the dedication to the Barnes 20 No. 1 Well of the acreage that will be drained thereby.

WHEREFORE AFFIANT SAYETH NAUGHT.

CARL SHANE LOUGH

SUBSCRIBED AND SWORN to before me this ____ day of June, 1993.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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

August 4, 1993


CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10670
ORDER NO. R-9912-A

Dear Sir:

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

Sincerely,


Sally E. Reichle
Administrative Secretary

cc: BLM Carlsbad Office
Alvin Tapid - OCD
Donna McDonald - OCD

ILLEGIBLE

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

July 27, 1993

HAND-DELIVERED

27 1993

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

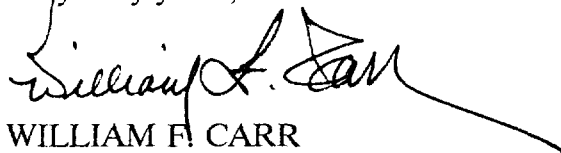
Re: Case No 10670 (Reopened) Nomenclature:
Application of Maralo, Inc. for Pool Creation, Special Pool Rules and a
Discovery Allowable, Lea County, New Mexico

Dear Mr. Catanach:

Pursuant to your request of July 15, 1993, I am enclosing Maralo, Inc.'s proposed Order of the Division in the above-referenced case.

If you need anything further from Maralo to proceed with your consideration of this matter, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Mr. C. Shane Lough (w/enclosure)

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:

27 1993

Nomenclature
Case No. 10670 (Reopened)
Order No. R-_____

APPLICATION OF MARALO, INC.
FOR POOL CREATION, SPECIAL POOL
RULES AND A DISCOVERY ALLOWABLE,
LEA COUNTY, NEW MEXICO.

**MARALO, INC.'S
PROPOSED ORDER OF THE DIVISION**

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of August, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The Applicant, Maralo, Inc., seeks an order establishing the effective date for the temporary special rules and regulations for the Northeast Jenkins-Delaware Pool promulgated by Order No. R-9912 of March 1, 1993.

(3) On January 26, 1993, Maralo, Inc. filed an application with the Division seeking the creation of a new pool as the result of the discovery of hydrocarbons in the Devonian formation in its Maralo, Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico and, among other things, the promulgation of special pool rules including 80-acre spacing or proration units and special well location requirements.

(4) Maralo, Inc. is the only operator in this pool and there are no other operators of Devonian wells within one mile of the boundaries of the Northeast Jenkins-Devonian Pool. (Affidavit of Shane Lough, paragraph 5).

(5) The application was heard by a Division Examiner on February 18, 1993 and although testimony was presented concerning potential lease expiration in the area governed by this application no specific request for an effective date for these Temporary Special Pool Rules was made.

(6) The Division granted the application of Maralo, Inc. by Order No. R-9912 and found that Temporary Special Pool Rules which established 80-acre spacing in the Northeast Jenkins-Devonian Pool would prevent waste and protect correlative rights. (Order No. R-9912, Finding 9). The entry of this order was delayed until June 15, 1993 which certain issues were resolved concerning the drilling of another well in this pool.

(7) Establishing an effective date of March 1, 1993 for the Temporary Special Pool Rules for the Northeast Jenkins-Devonian Pool will avoid the expiration of a lease in this pool which has been dedicated to the Barnes "20" Well No. 1, will result in the acreage being drained by this well to be dedicated thereto and will otherwise preserve the equities in this well thereby protecting correlative rights. (Affidavit of Shane Lough, Paragraphs 6 and 8).

(8) The application of Maralo, Inc. for a March 1, 1993 effective date for the Temporary Special Pool Rules for the Northeast Jenkins-Devonian Pool should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The effective date for the Temporary Special Pool Rules for the Northeast Jenkins-Devonian Pool is March 1, 1993.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY
Director

S E A L

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 9, 1994

Mr. Patrick J. Tower
Enron Oil and Gas Company
Post Office Box 2267
Midland, Texas 79702

Dear Pat:

Enclosed are the transcript and exhibits which we discussed on this date.

Best regards.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosures

P 176 013 314



Accepted for
Certified Mail
No insurance coverage provided
Do not use for International Mail
(See Reverse)

PS Form 3800, June 1991

To: Maralo Inc.	
223 West Wall	
Midland, Texas 79702	
Postage	\$
Extra Fees	
Subtotal	
Total	
Postmark	

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Maralo, Inc.
223 West Wall
Midland, Texas 79702

4a. Article Number

P 176 013 314

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

5/23/84

5. Signature (Addressee)

[Signature]

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

May 19, 1994

Maralo, Inc.
223 West Wall
Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Order No. R-9912 entered on June 15, 1993, the Oil Conservation Division is reopening Case No. 10670 in order to give all operators in the Northeast Jenkins-Devonian Pool in Lea County, New Mexico, the opportunity to appear and show cause why the temporary special pool rules for said Northeast Jenkins-Devonian Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

This case will be heard before an examiner on June 9, 1994, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson
OC Staff Specialist

enc.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

July 12, 1994

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10670
ORDER NO. R-9912-B

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Sally E. Martinez".
Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
Donna McDonald