

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

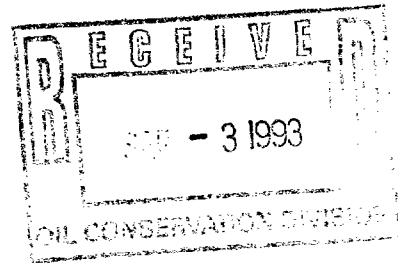
*DO NOT
FILE
CASE
10817*

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

September 3, 1993

HAND-DELIVERED

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 10817: Application of Meridian Oil Inc. for Compulsory Pooling,
Eddy County, New Mexico

Dear Mr. Catanach:

Meridian Oil Inc. and Enron Oil & Gas Company have each filed applications with the Oil Conservation Division seeking an Order pooling the S/2 of Section 35, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico for the purpose of drilling a Morrow well on this pooled unit. The parties have been negotiating with each other concerning the development of this tract for several weeks. Although no agreement had been reached, they were scheduled to again discuss this matter late in the week of August 16th. Prior to that scheduled conversation, however, Enron learned that on August 17, 1993 the last day for filing for a September 9 Examiner hearing, and without notice to Enron, Meridian filed a compulsory pooling application. Meridian seeks an Order pooling the lands and designating it operator of a well to be drilled in the South half of this section.

When Enron learned of the Meridian application it also filed an application seeking an Order pooling these lands. As you will note from these applications, Enron is proposing a different well location than that of Meridian and, since Enron represents 75% of the working interest in the S/2 of Section 35, it is seeking to be designated operator of this spacing unit.

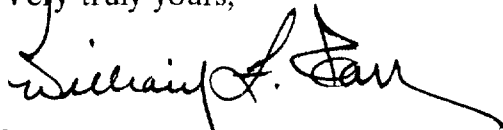
Mr. David R. Catanach
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The purpose of this letter is to request a continuance of the Meridian case to the Examiner hearings scheduled for September 23, 1993. Such a continuance will enable the parties to present in one hearing all issues relating to the pooling of this tract. Continuance of the Meridian case and a consolidation of these cases on September 23rd will not only result in all matters being resolved in one proceeding, it should not cause any delay in obtaining a final resolution of the issues involved in this dispute.

I have contacted Mr. Kellahin concerning this request. He has indicated that he is not authorized to agree to a continuance. Accordingly, we must bring this matter to you and request that you continue the Meridian case to September 23, 1993.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long, sweeping horizontal line extending to the right.

WILLIAM F. CARR
WFC:mlh

cc: W. Thomas Kellahin, Esq.



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

October 1, 1993

KELLAHIN AND KELLAHIN
Attorneys at Law
P. O. Drawer 2265
Santa Fe, New Mexico 87504

RE: CASE NO. 10817
ORDER NO. R-9979

Dear Sir:

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

Sincerely,

Sally E. Martinez
Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
William Carr