

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

OIL CONSERVATION DIVISION

RECEIVED

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TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

March 5, 1991

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

VIA FAX: (505) 827-5741

Re: Application of LBO New Mexico, Inc.
for Compulsory Pooling and Unorthodox
Location, Lea County, New Mexico
NMOCD Case No. 10256

M.S.

Dear Mr. LeMay:

On behalf of LBO New Mexico, Inc., I filed an application for the above referenced case which is scheduled for Examiner hearing on March 7, 1991.

LBO desires that this case be continued to the next available docket which is April 18, 1991.

Very truly yours,

Karen Aubrey
Karen Aubrey

KA/tic

xc: Ray Diaz
Strata Energy Resources Corporation
28202 Cabot Road, Suite 250
Laguna Niguel, California 92677

Via Fax: (915) 686-2009
Robert K. Whitt
Attorney and Counselor at Law
505 North Big Spring Street
Midland, Texas 79701

ROBERT K. WHITT

Attorney and Counselor at Law

Also Licensed In
New York and OklahomaEnergy Square, Suite 402
505 North Big Spring St
Midland, Texas 79701(915) 686-2000
Fax: (915) 686-2009

March 11, 1991

BY FACSIMILE TO (505) 827-5741

William J. LeMay
Oil Conservation Division
P.O. Box 2038
Santa Fe, New Mexico 87504RE: Application of LBO New Mexico, Inc. for Completion,
Pooling and Unorthodox Location, Lea County, New Mexico
NMCCO Case No. 10256

Dear Mr. LeMay:

This letter is written on behalf of Bonny Wilson and CBAT Corp., Trustee.

We do not understand why we have been made a party to this proceeding. We have only a reversionary after-payout interest. Our position is simple. If we are put on pay status so that we can begin receiving revenues, we will participate in the new well. If we are not going to receive any revenues until some future date (when LBO says payout occurs), then we do not believe we should be liable for any of the costs of the new well nor should we be a party to this proceeding.

I am meeting with Rudy Woerndle, counsel to LBO, tomorrow in an effort to resolve our disputes with LBO. Following such meeting and prior to April 18, 1991, I will advise you if we have reached an agreement.

Very truly yours,


Robert K. Whitt

RHW, pr

cc: Bonny Wilson
Karen Aubrey
Rudy Woerndle**ILLEGIBLE**



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

April 19, 1991

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

RE: CASE NO. 10256
ORDER NO. R-9490

Dear Madam:

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

Sincerely,

Florene Davidson
by *sl*

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM - Carlsbad
Robert K. Whitt