



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

January 12, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Scott Hall
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 9035
ORDER NO. R-8384

Applicant:

Mesa Grande Resources, Inc.

Dear Sir:

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

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law

Telephone 982-4285
Area Code 505

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Jason Kellahin
Of Counsel

November 14, 1986

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Application of Mesa Grande
Resources for Compulsory Pooling
NMOCD Case 9035

Dear Mr. Stamets:

Our firm represents Jerome P. McHugh who is named in the referenced case as a party to be pooled. Mr. McHugh first became aware of this case as a result of receiving the Division docket on November 12, 1986.

Contrary to Division Order R-8054 and Rule 1207 the applicant has failed to provide Mr. McHugh with the appropriate notice. Mr. McHugh lacks sufficient notice in time to prepare his case for the scheduled hearing on November 19, 1986.

Accordingly, on behalf of Mr. McHugh we move that the subject application be dismissed for failure to comply with Order R-8054 and Rule 1207.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Kent Craig (McHugh)
William F. Carr, Esq.



December 1, 1986

Ms. Kathy Michael
Mesa Grande Resources, Inc.
1200 Philtower Building
Tulsa, Oklahoma 74103

Purolator Courier

Case 9035
m.s.

RE: NM - 2902
Lindrith Prospect
Rio Arriba County, New Mexico
Township 25 North, Range 2 West, N.M.P.M.
Section 20: S/2SE/4

Intruder No. 1 Well
Township 25 North, Range 2 West, N.M.P.M.
Section 20: E/2

Dear Ms. Michael:

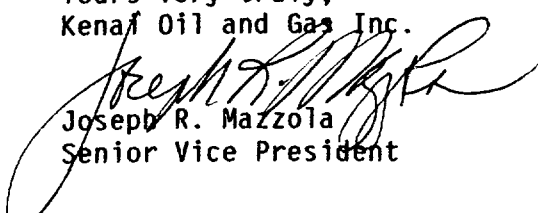
Please furnish Kenai Oil and Gas Inc. a letter acknowledging that Mesa Grande Resources, Inc.'s AFE, mailed July 14, 1986, is still valid (see copy of attached transmittal letter).

Kenai is discussing its AFE with a party who is looking at purchasing the captioned property and we anticipate notifying Mesa Grande within ten (10) days as to whether we will participate in the drilling of the well under the July 14, 1986 AFE, or will farm out to an interested party.

We regret that we cannot attend the hearing before the New Mexico Oil Conservation Division on December 3, 1986; however, we are sending a copy of this letter for the Commission's records and file.

Please send us any exhibits that Mesa Grande will be of using at the hearing for Kenai Oil and Gas Inc.'s review.

Yours very truly,
Kenai Oil and Gas Inc.



Joseph R. Mazzola
Senior Vice President

JRM:ms
Enclosure

cc: Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088
Attn: Mr. R.L. Stamets, Director.

0058C-57

KENAI OIL AND GAS INC.

ONE BARCLAY PLAZA / 1675 LARIMER STREET / SUITE 500 / DENVER, COLORADO 80202 / PHONE (303) 893-3392

MESA GRANDE RESOURCES, INC.
1200 PHILTOWER BUILDING
TULSA, OKLAHOMA 74103
(918) 587-8494

July 14, 1986

KENAL CH AND OTHERS
1986

To All Working Interest Owners
(See Attached List)

Re: Intruder #1 Well
E/2, Section 20-25N-2W
Rio Arriba County, New Mexico

Gentlemen:

Please find enclosed a revised Authority for Expenditure (AFE) for the above referenced well.

This revised AFE more accurately reflects the current costs within the well area and also is the result of changes in our planned completions.

If you have already signed our previously submitted AFE, you need not sign this one; please retain it for your records. If you have not approved our initial AFE, we respectfully request that you return one executed copy of the enclosed as soon as possible so as to avoid unnecessary delays and pooling action.

We appreciate your prompt response.

Very truly yours,

Christopher L. Phillips

Christopher L. Phillips
Manager of Field Operations

CLP:dw
Enclosures

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
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SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 14, 1986

RECEIVED

NOV 14 1986

OIL CONSERVATION DIVISION

Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

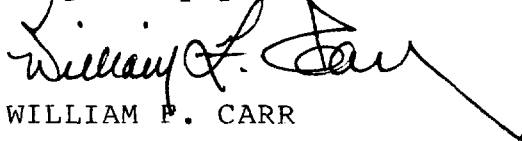
Re: Case No. 9035: Application of Mesa Grande
Resources, Inc. for Compulsory Pooling,
Rio Arriba County, New Mexico.

Dear Mr. Stamets:

We are requesting that the application of Mesa Grande Resources, Inc. in the above-referenced case, set for hearing on November 19, 1986, be readvertised for December 3, 1986.

Thank you very much for your cooperation in this matter.

Very truly yours,


WILLIAM F. CARR

ML/ab
Enclosure