

Case #1

1950's FINE

21-195-257E

SWP-336

Amadeo

Open. Secs

1495 '57A-225 '60

22-195-257E

12-7637

Case 8234

*Administrative Order DD-***

Yates Energy Corporation

February 27, 1995

Page No. 3

Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2355

SANTA FE, NEW MEXICO 87504-2355

W. THOMAS KELLAHIN*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

April 18, 1995

To: Mike Stogner (via facsimile: (505) 827-8177)
From: Tom Kellahin

If you desire to deal with the data exchange and to set up a timetable for this case I suggest the following:

"Reference is made to our "conference call" this morning, Tuesday, April 18, 1995, whereby we discussed Mr. Kellahin's letter dated April 14, 1995 requesting the production of data from Yates and the continuance of both cases to the hearing scheduled for June 1, 1995. Thereafter, I conducted an initial review of Nearburg's concern about the two existing salt water disposal wells in the North Dagger Draw-Upper Pennsylvanian Pool in Sections 21 and 22 Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico (approved by Division Order Nos. SWD-336 and R-7637) and the potential issues they may create in this matter. I conclude that the two SWD wells and the disposal of that produced water are relevant to these pooling cases and that a postponement until June 1, 1995 is in order.

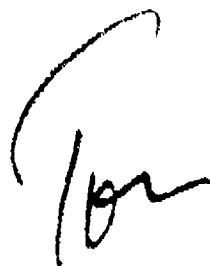
In addition, the parties are directed to voluntarily exchange data and if there is a dispute over the data requested, produced or to be exchanged then either party may return to the Division for decisions on that topic.

I hope that both parties will utilize this time to exchange data and to work out a reasonable solution. If not, then these SWD wells and the disposed water can be discussed at length as it relates to these pooling cases.

The parties are directed to report to the Division on the status of their discussions on or before May 15, 1995.

Nearburg's request for continuance of both Case Nos 11263 and 11265 until June 1, 1995 is hereby approved."

copy faxed to Ernest Carroll (505) 746-6316





DRAFT

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 18, 1995

DRAFT

Losee, Carson, Haas & Carroll
Attn: Ernest L. Carroll
P. O. Box 239
Artesia, New Mexico 88211-0239

DRAFT

Kellahin and Kellahin
Attn: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: Case Nos. 11,263 and 11,265, Applications of Yates Petroleum Corporation and Nearburg Exploration Company, respectively, for Compulsory Pooling Eddy County, New Mexico.

Dear Messrs. Carroll and Kellahin:

Reference is made to our ~~conference call~~ this morning, Tuesday, April 18, 1995, where we discussed Mr. Kellahin's letter dated April 14, 1995 requesting the continuance of both cases to the hearing ~~scheduled for June 1, 1995. Subsequent to~~ my initial review of Nearburg's concern about the two existing salt water disposal wells in the North Dagger Draw-Upper Pennsylvanian Pool in Sections 21 and 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico (approved by Division Order Nos. SWD-336 and R-7637) and the potential issues they may create in this matter, a postponement until June 1, 1995 is in order, and hopefully both parties can utilize this time to work out a reasonable solution. ~~then these wells and the disposed waters can be discussed at length as it relates to this matter.~~

Nearburg's request for continuance of both Case Nos. 11,263 and 11,265 until June 1, 1995 is hereby approved.

Sincerely,

DRAFT

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe

DRAFT



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 18, 1995

Losee, Carson, Haas & Carroll
Attn: Ernest L. Carroll
P. O. Box 239
Artesia, New Mexico 88211-0239

Kellahin and Kellahin
Attn: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: Case Nos. 11,263 and 11,265, Applications of Yates Petroleum Corporation and Nearburg Exploration Company, respectively, for Compulsory Pooling Eddy County, New Mexico.

Dear Messrs. Carroll and Kellahin:

Reference is made to our conference call this morning, Tuesday, April 18, 1995, where we discussed Mr. Kellahin's letter dated April 14, 1995 requesting the continuance of both of the above-referenced cases to the June 1, 1995 hearing. Based upon my initial review of Nearburg's concern about the two existing salt water disposal wells in the North Dagger Draw-Upper Pennsylvanian Pool in Sections 21 and 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico (approved by Division Order Nos. SWD-336 and R-7637) and the potential issues they may create in this matter, postponement until June first is in order. ~~Hopefully both parties can utilize this time to work out a reasonable solution.~~

Nearburg's request for continuance of both Case Nos. 11,263 and 11,265 until June 1, 1995 is hereby approved.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe
Paul Carroll, Counsel - OCD, Santa Fe

TO: Ernest L. Carroll / Tom Kelleher
FROM: Michael E. Stegner
DATE: April 18, 1995
SUBJECT: NEH of Sec 21, T19S, R25E
Case Nos. 11263 and 11265

Please review the attached Rough Draft
and contact me about any changes.

Thanks.

M.S.

S E A L

WILLIAM J. LEMAY
Director

Case No. 11203
Order No. R-****
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R-25-E

