

MA
4-17-00

**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:

CASE NO. 12365

APPLICATION OF

DUGAN PRODUCTION CORP. seeking authority to utilize its West Bisti Unit No. 153, located 1990 feet from the South and 1960 feet from the West line (Unit K) of Section 35, Township 26N, Range 13W, to dispose of produced salt water into the Mesaverde formation through the perforated interval from approximately 2,747 feet to 3,875 feet.

PRE-HEARING STATEMENT

This prehearing statement is submitted by John A. Dean, Jr. for Dugan Production Corp. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

John Alexander, Vice President

Offices

Contact Person: John Alexander
Dugan Production, Corp., P.O. Box 420,
Farmington, NM 87499 (505)325-1821
name, address, phone and
contact person

ATTORNEY

John A. Dean, Jr., Curtis & Dean Law

P.O. Drawer 1259

Farmington, NM 87499
(505) 325-6031

OPPOSITION OR OTHER PARTY

NAPI

Lorenzo Bates

P.O. Drawer 1318

Farmington, NM 87499 (505)327-5251

name, address, phone and
contact person

ATTORNEY

Pre-hearing Statement
NMOCD Case No. 12365
Page 2.

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Dugan Production Corp. proposes that the West Bisti Unit No. 153, located 1990 feet from the South and 1960 feet from the West line (Unit K) of Section 35, Township 26N, Range 13W, be converted from a Gallup Formation Waterflood injection well to a Mesaverde Salt Water Disposal Well. The Mesaverde formation is not productive of hydrocarbons in this area and is not part of the Blanco-Mesaverde Pool. Injection will be into the Point Lookout and Menefee Sections of the Mesaverde. The applicant will demonstrate that, while no cement currently covers this section, and that the casing is either parted or collapsed at a depth not penetrating the entire injection interval, injection can be confined to the proposed interval. No new surface disturbance will be required because all surface facilities are in place.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Navajo Agricultural Products Inc. (NAPI) has opposed this application based on surface use conflicts. The applicant has not been notified of any opposition appearance.

Pre-hearing Statement
NMOCD Case No. 12365
Page 3.

PROPOSED EVIDENCE

APPLICANT

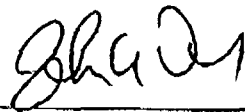
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
John Alexander, Petroleum Engineer	20 minutes	5

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Unknown		

PROCEDURAL MATTERS
**(Please identify any procedural matters which
need to be resolved prior to the hearing)**

The location of this well was advertised as being in the Blanco-Mesaverde Pool. The Mesaverde at this location is not in any oil or gas pool.



John A. Dean, Jr.
Curtis & Dean Law Offices for
Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499
(505) 325-1821