



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

August 21, 1985

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

Mr. William F. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 8545  
ORDER NO. R-9006

Applicant:

Myco Industries

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           

Other Thomas Kellahin

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  
LOURDES A. MARTINEZ

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 30, 1985

HAND DELIVERED

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87501

RECEIVED

JUL 30 1985

OIL CONSERVATION DIVISION

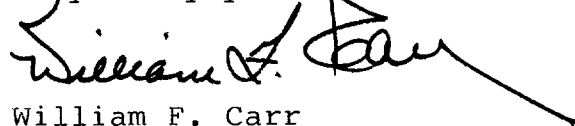
Re: Case 8545: Application of Myco Industries for Salt  
Water Disposal, Eddy County, New Mexico.

Dear Mr. Stamets:

Myco Industries hereby requests that the above-referenced  
case scheduled for hearing before a Division Examiner on July 31,  
1985, be dismissed.

Your attention to this request is appreciated.

Very truly yours

  
William F. Carr

WFC/cv

cc: Mr. Randy Patterson  
Ms. Kathy Colbert

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
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TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

March 19, 1985

RECEIVED  
MAR 19 1985  
OIL CONSERVATION DIVISION

R. L. Stamets, Director  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Case 8545: Application of Myco Industries for Salt  
Water Disposal, Eddy County, New Mexico.

Dear Mr. Stamets:

Myco Industries requests that the above-referenced case  
scheduled for hearing on March 27, 1985, be continued to the  
Examiner hearings scheduled for April 10, 1985.

Your attention to this request is appreciated.

Very truly yours,

  
William F. Carr

WFC/cv

cc: Ms. Kathy Colbert

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

March 19, 1985

RECEIVED

MAR 1 1985

Mr. Richard L. Stamets  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: Myco Industries,  
NMOCD Case 8545

Dear Mr. Stamets:

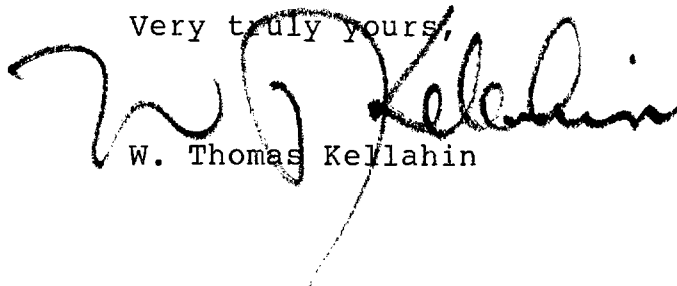
Our firm represents Bass Enterprises Production Company. I have been advised that Myco Industries has applied to utilize a wellbore, under the total and exclusive ownership of Bass Enterprises, for salt water disposal.

This is not a case in which Myco Industries has some percentage working interest in either the well or the lease. This is not a case where Myco has the consent of the surface owner. This is not a case that the Division can hear.

The Division lacks jurisdiction to even consider hearing this case as shown on our enclosed motion to dismiss.

Accordingly, we would request that the hearing now set for March 27, 1985, be vacated, and that Myco Industries be directed to show cause within fifteen days why their application should not be dismissed.

Very truly yours,

  
W. Thomas Kellahin

Mike  
Tom may have a  
point. We'll just  
have to wait to  
see what they have  
to say on this on  
the 27th.  
RLH

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets  
March 19, 1985  
Page 2

cc: William F. Carr, Esq. (Hand Delivered)  
Campbell & Black  
P. O. Box 2208  
Santa Fe, New Mexico 87501

Mr. Ray Graham  
Oil & Gas Division  
Office of the Land Commissioner  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Mr. Jens Hansen  
Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED

MAR 1 1965

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF MYCO INDUSTRIES FOR SALT  
WATER DISPOSAL, EDDY COUNTY,  
NEW MEXICO.

CASE: 8545

BASS ENTERPRISES PRODUCTION COMPANY  
MOTION TO DISMISS

Comes now BASS ENTERPRISES PRODUCTION COMPANY, by and through its attorneys, Kellahin & Kellahin, and moves that the New Mexico Oil Conservation Division dismiss the application of Myco Industries in Case 8545 for use of the Shell Oil Company Big Eddy Unit Well No. 1, Unit C of Section 36, T21S, R28E, NMPM, Eddy County, New Mexico, for salt water disposal and as grounds therefore states:

1. Division Rule 1203 limits the initiating of a hearing before the Division to "The Division upon its own motion, the Attorney General on behalf of the State, and any operator or producer, or any other person having a property interest may institute proceedings for a hearing."

2. Bass Enterprises Production Company is the sole operator and producer of the Shell Oil Company Big Eddy Unit Well No. 1, the subject well.

3. That this well was drilled on State of New Mexico Oil & Gas Lease E-5232 which is still in full force and effect.

4. That Bass Enterprises Production Company is the operator of the Big Eddy Unit and is the owner of 100% of the working interest underlying the NE/4NE/4 of subject Section 36 and 100% owner of the subject wellbore.

5. That Sid W. Richardson and Perry R. Bass are the lessees of State of New Mexico Oil & Gas Lease E-5232.

6. That the applicant, Myco Industries, has no working interest or property interest in the spacing and proration unit upon which the subject well is located.

7. That Myco Industries does not have the consent of Bass Enterprises Production Company for Myco to use this wellbore for the disposal of produced water.


8. That Myco Industries does not have the consent of the State of New Mexico to dispose of produced water into any formation underlying the NE/4NW/4 of said Section 36.

9. That Myco Industries would be a trespasser should it attempt to utilize the subject wellbore for saltwater disposal.

WHEREFORE, because Myco Industries lacks either the operating rights, production rights, or any property interest in the subject wellbore, or in the subject spacing

and proration unit, the New Mexico Oil Conservation Division lacks jurisdiction to hear this application and it must be dismissed.

Kellahin & Kellahin

By   
W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

Attorney for Bass  
Enterprises Production Co.



<b>TRANSMITTAL SLIP</b>	TO Oil Conservation Division	
	AT Santa Fe, New Mexico	
DATE 3/5/85	FROM Myco Industries, Inc.	
	AT 207 S. 4th St. Artesia, NM 88210	
<input checked="" type="checkbox"/> For your information <input type="checkbox"/> Please handle <input type="checkbox"/> For your approval <input type="checkbox"/> For your signature <input type="checkbox"/> Please advise	<b>Please Return</b> <input type="checkbox"/>	<input type="checkbox"/> This has my approval <input type="checkbox"/> Per your request <input type="checkbox"/> Per our conversation <input type="checkbox"/> See me personally <input type="checkbox"/> Forward to
	<b>RUSH</b> <input type="checkbox"/>	
	<b>For Your File</b> <input type="checkbox"/>	
Re: C-108		
Big Eddy Unit #1		
Sec. 36-T21S-R28E		
Eddy County, New Mexico		

Gentlemen:

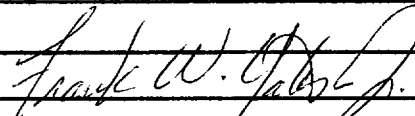
Enclosed for your files is one copy of the above captioned information.

The Hearing before the NMOCD has been set for March 27, 1985.

Please review and advise me of any questions or problems you may have.

Thank you for your time.

Myco Industries, Inc.



Frank W. Yates, Jr.

Engineer