

OIL CONSERVATION DIVISION
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KELLAHIN, KELLAHIN AND AUBREY

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W. THOMAS KELLAHIN*
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*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW
†ALSO ADMITTED IN ARIZONA

SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN (RETIRED 1991)

June 3, 1992

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 218
Santa Fe, New Mexico 87501

VIA FACSIMILE
(505) 827-5741

10496

Attn: Ms. Florene Davidson

Re: NMOCD Case No. 10455
Order R-9659
Application of Southland Royalty
Company for Downhole Commingling
and Other Relief for its Aztec #700
Well, Section 14, T28N, R11W
San Juan County, New Mexico

Dear Ms. Davidson:

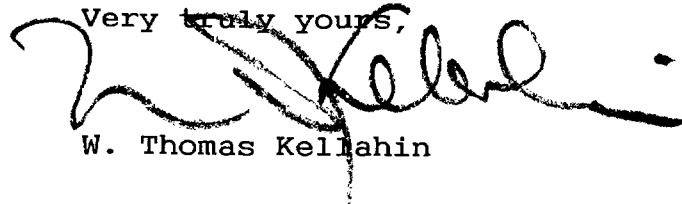
I wish to confirm my request this morning on
behalf of Southland Royalty Company to have the
referenced application put back on the Examiner's
docket now scheduled for June 25, 1992.

Please consider this letter our written request to
either reopen the existing case or in the alternative
to docket a new case on this same application.

The original case, No. 10455, was voluntarily
dismissed without prejudice at the request of the
applicant. We now desire to present this case.

Please let me know today if the Division prefers
for me to file a "new" case or if the Division desires
to reopen the old case. I will then file the
appropriate application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl/1trt603.330

cc: Mr. Alan Alexander
(Meridian-Farmington)

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

**IN THE MATTER OF THE APPLICATION OF
SOUTHLAND ROYALTY COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION,
DOWNHOLE COMMINGLING, AND TO AMEND
DIVISION ADMINISTRATIVE ORDER NO. NWU-80
SAN JUAN COUNTY, NEW MEXICO** **CASE 100496**

WAIVER OF OBJECTION

Comes now Chaparral Oil & Gas Co., of Farmington, New Mexico,
an offset operator to the subject spacing unit, acknowledges receipt of a copy
of the application in this case including notice of the hearing set for June 25,
1992 and hereby waives an objection to the granting of this application by the
New Mexico Oil Conservation Division.

Chaparral Oil & Gas Co.

By *Jerry Sandel*
Jerry Sandel, President

Dated: June 24, 1992

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<i>McArdle</i>	EXHIBIT NO. _____
CASE NO.	<u>100496</u>

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. 10496

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, DOWNHOLE COMMINGLING, AND
TO AMEND DIVISION ADMINISTRATIVE
ORDER NO. NWU-80, SAN JUAN
COUNTY, NEW MEXICO

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JUN 19 1992

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by SOUTHLAND
ROYALTY COMPANY as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT

SOUTHLAND ROYALTY CO.
P.O. Box 4289
Farmington, NM 87499
ATTN: Alan Alexander

ATTORNEY

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

Pre-Hearing Statement
Case No. 10496
Page 2

STATEMENT OF CASE

APPLICANT

Applicant seeks approval to commingle gas production from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Aztec Well No. 700 to be drilled at an unorthodox well location for both producing horizons, 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico. The S/2 of said Section 14 forming a standard 320-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-80, dated May 20, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NW/4 and N/2 SW/4 of said Section 14 is to be amended to show that the proposed Aztec Well No. 700 is to replace the existing Aztec Well No. 3 located in Unit E as the Unit's only producing well.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Scott Daves Reservoir Engineer	15 Min.	2 Exhibits
Kaye Stewart-Hicks Geologist	15 Min.	2 Exhibits
Alan Alexander Landman	10 Min.	1 Exhibit
Eric Bauer Drilling Engineer	10 Min.	2 Exhibits

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING, IF ANY		

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN, KELLAHIN & AUBREY

By: 

Karen Aubrey for
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT