

RECEIVED  
SEP 18 1987  
OIL CONSERVATION DIVISION

CASE NO 9240  
7005

September 15, 1987

Mr. R. S. Taylor  
Mobil Oil Corporation  
1225 - 17th Street  
Denver, Colorado 80202

Re: Schmitz Anticline Area  
Sec. 35-T24N-RLW  
Rio Arriba County, New Mexico

Dear Mr. Taylor:

The county records reflect that Mobil owns all rights below the base of the Pictured Cliff formation in the W/2 of Section 35-T24N-RLW. Jerome P. McHugh has 100% of the leasehold interest in the E/2 of Section 35.

We propose to drill, within 60 days, an approximate 7300' Dakota test in the NE/4 of Section 35. Enclosed for your review are two copies of our AFE #A51205 for the drilling of said test.

The spacing in this area is somewhat unique in that the upper prospective zone, Gallup/Mancos, is on 640 acres while the deeper Dakota is on 320 acres.

We are proposing a 640 acre unit being all of Section 35 with McHugh as operator; all costs being shared on a 50%-50% basis with Mobil.

If Mobil is in agreement with our proposed well, please execute and return one copy of the enclosed AFE as soon as possible. We will forward an appropriate Operating Agreement for your review upon receipt of the executed AFE.

In the event Mobil elects not to join in our proposed test, we will opt to appear before the New Mexico Oil Conservation Division on October 21, 1987 and request an "exception location" for our well on a 320 acre unit, being the E/2 of Section 35-T24N-RLW. We would greatly appreciate a letter from your office to the Oil Conservation Division to the effect that Mobil has no objection to our 320 acre unit.

Jerome P. McHugh & Associates  
Operating Affiliate: Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
Denver, Colorado 80222  
(303) 321-2111

Mobil Oil Corporation  
September 15, 1987  
Page Two

Feel free to call me should you have any questions. Thank you for your consideration.

Very Truly Yours,



Kent C. Craig

KCC/rm

enclosure

cc: Mr. David Catanach ✓  
New Mexico Oil Conservation Division  
Box 2088  
Santa Fe, New Mexico 87501-2088

Tom Kellahin - Kellahin & Kellahin

3121 Risner  
Las Cruces, NM 88001

October 10, 1987

Mr. William J. LeMay  
Oil Conservation Division  
Department of Energy and Minerals *M.S.*  
P. O. Box 2088  
Santa Fee, New Mexico 87504

*DAC*

Re: Case No. 9240, Jerome P. McHugh & Associates, Application of Unorthodox Well Location and Non-Standard Proration and Spacing Unit, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Please place this letter in the Division Examiner's file for the above captioned case to clearly reflect that I support the application in this matter and join in requesting that the same be approved. I am an owner of a portion of the minerals underlying the property which is the subject matter of the action. I will not be able to attend the hearing, but would like that my support for the same be duly noted.

If I can do anything else to support the application, please notify me. Thank you for your anticipated cooperation and assistance herein.

Very truly yours,

*Mr. Jerome P. McHugh*  
*J. P. McHugh*

BEFORE THE

OIL CONSERVATION DIVISION

RECEIVED

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS NOV 2 1987

IN THE MATTER OF THE APPLICATION  
OF JEROME P. McHUGH FOR AN  
UNORTHODOX WELL LOCATION,  
NON-STANDARD PRORATION UNIT,  
AND FOR COMPULSORY POOLING,  
IN RIO ARRIBA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE NO. 9240

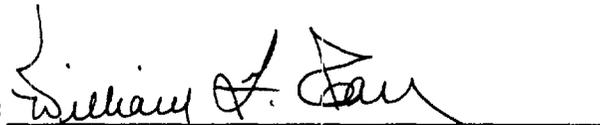
ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its  
appearance in the above-referenced case on behalf of  
Benson-Montin-Greer Drilling Corporation.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:



WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

ATTORNEYS FOR BENSON-MONTIN-GREER  
DRILLING CORPORATION



13034 Rummel Creek Drive  
Houston, Texas 77079

October 10, 1987

Mr. William J. LeMay  
Oil Conservation Division  
Department of Energy and Minerals  
P. O. Box 2088  
Santa Fee, New Mexico 87504

Re: Case No. 9240, Jerome P. McHugh &  
Associates, Application of Unorthodox  
Well Location and Non-Standard Proration  
and Spacing Unit, Rio Arriba County,  
New Mexico

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Very truly yours,

*Eula Jean Stark*  
*William J. Stark*

P. O. Box 247  
Cimarron, CO 81220

October 10, 1987

*W.S.  
DC*

Mr. William J. LeMay  
Oil Conservation Division  
Department of Energy and Minerals  
P. O. Box 2088  
Santa Fee, New Mexico 87504

Re: Case No. 9240, Jerome P. McHugh &  
Associates, Application of Unorthodox  
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and Spacing Unit, Rio Arriba County,  
New Mexico

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Very truly yours,

*Wm. J. LeMay*

1162 Cartagena Drive  
Long Beach, CA 90807

October 10, 1987

Mr. William J. LeMay  
Oil Conservation Division  
Department of Energy and Minerals  
P. O. Box 2088  
Santa Fee, New Mexico 87504

*m. s.  
DCC*

Re: Case No. 9240, Jerome P. McHugh &  
Associates, Application of Unorthodox  
Well Location and Non-Standard Proration  
and Spacing Unit, Rio Arriba County,  
New Mexico

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Very truly yours,

*Oscar Ewing Eberhardt Jr.*

400 East 5th Avenue  
Bristow, OK 74010

October 10, 1987

Mr. William J. LeMay  
Oil Conservation Division  
Department of Energy and Minerals  
P. O. Box 2088  
Santa Fe , New Mexico 87504

*AM.S*  
*DRC*

Re: Case No. 9240, Jerome P. McHugh &  
Associates, Application of Unorthodox  
Well Location and Non-Standard Proration  
and Spacing Unit, Rio Arriba County,  
New Mexico

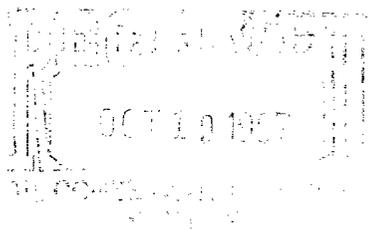
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If I can do anything else to support the application, please notify me. Thank you for your anticipated cooperation and assistance herein.

Very truly yours,

*Arthur J. ...*



**Amoco Production Company**

Denver Region  
1670 Broadway  
P.O. Box 800  
Denver, Colorado 80201  
303-830-4040

*DR*  
*10-19-87*

October 16, 1987

Mr. William J. Lemay  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

File:NWA-491-986.511

Case Number 9240  
Jerome P. McHugh & Associates  
Application of Unorthodox Well Location  
and Non-Standard Proration and Spacing Unit  
Rio Arriba County, New Mexico

Amoco Production Company as an offset owner to the proposed unorthodox well location and non-standard proration unit objects the granting of this application. It is our opinion that the granting of this application, as requested, would not serve to protect correlative rights. By copy of this letter we are advising Mr. Tom Kellahin and Jerome P. McHugh & Associates of our intent to protest at the October 21, 1987 hearing.

Very truly yours,

C. A. Wood  
Region Proration & Unitization Manager

cc: Mr. Tom Kellahin  
Kellahin, Kellahin and Aubrey  
P. O. Box 2265  
Santa Fe, New Mexico

Mr. Kent C. Craig  
Jerome P. McHugh & Associates  
650 S. Cherry, Suite 1225  
Denver, Colorado

R. J. Bottjer - Bldg  
D. E. Broadfoot - Bldg  
G. R. Jones - Bldg  
K. J. Lund - Bldg

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

W. Thomas Kellahin  
Karen Aubrey

Jason Kellahin  
Of Counsel

October 20, 1987

RECEIVED

OCT 20 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Jerome P. McHugh & Associates First  
Amended Application for Compulsory  
Pooling and in Alternative for an  
Unorthodox Well Location and  
Non-Standard Proration and Spacing  
Unit, Rio Arriba County, New Mexico

Case 9240

Dear Mr. LeMay:

On behalf of Jerome P. McHugh & Associates we would appreciate you amending Division Case 9240 to include the alternative of compulsory pooling and continuing the case from the Division Examiner's hearing set for October 21, 1987 to the Examiner's hearing set for November 18, 1987.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Kent C. Craig  
Jerome P. McHugh & Associates  
650 S. Cherry, Suite 1225  
Denver, Colorado 80222

William F. Carr, Esq.  
Campbell & Black, P. A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504

W. Perry Pearce, Esq.  
Montgomery & Andrews, P. A.  
P. O. Box 2307  
Santa Fe, New Mexico 87504

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay  
October 20, 1987  
Page 2

cc:

(Certified Return-Receipt Requested)

All parties listed in Exhibit "A"