

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Case No. 8042
Order R-7407-A

APPLICATION OF NORTHWEST EXPLORATION
COMPANY FOR AN EXCEPTION TO ORDER NO.
R-7407 AND FOR DOWNHOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO.

RECEIVED

JUN - 4 1984

OIL CONSERVATION DIVISION

APPLICATION FOR HEARING DE NOVO

COME NOW Northwest Exploration Company and Mesa Grande Resources, Inc., successor in interest to Northwest Exploration Company, and pursuant to the provisions of Section 70-2-13, N.M.S.A., 1978 Comp., request a hearing de novo before the Oil Conservation Commission in the above-referenced case, and in support thereof state:

1. On January 18, 1984, a hearing was held on the application of Northwest Exploration Company in the above-referenced case and on May 7, 1984, an Order was entered by the Division Director approving the simultaneous dedication of the Gavilan Well No. 1 and the Gavilan Well No. 1E located in Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, to a 320-acre Gavilan-Mancos Oil Pool Spacing and Proration Unit comprising the N/2 of said Section 26.

2. Order R-7407-A also denied the application of Northwest

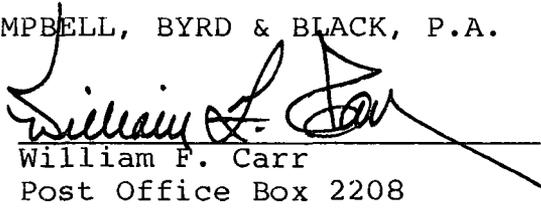
Exploration Company seeking approval to downhole commingle production within the individual wellbores of the above-referenced wells.

3. Northwest Exploration Company and Mesa Grande Resources, Inc. are adversely affected by Order R-7407-A and therefore request a hearing de novo before the Oil Conservation Commission to present evidence in support of their application for downhole commingling Dakota and Gavilan-Mancos oil production in the Gavilan Well No. 1 located 930 feet from the North line and 910 from the East line of said Section 26, and Gavilan-Mancos oil, Undesignated Greenhorn and Basin Dakota oil production in the wellbore of the Gavilan No. 1E Well located 1850 feet from the North line and 990 feet from the West line of said Section 26.

Respectfully submitted,

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BY


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