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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 9, 2001

Via Facsimile

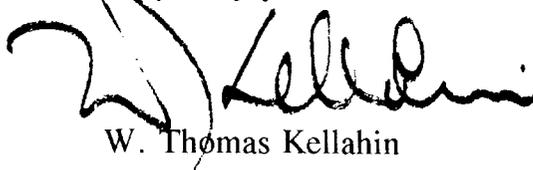
Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: **MOTION TO DISMISS** Case 12539
Application of Maynard Oil Company
for simultaneous dedication,
Lea County, New Mexico

Gentlemen:

On behalf of Phillips Petroleum Company, an adversely affected party, please find enclosed our **MOTION TO DISMISS** the referenced case. This case is currently set for hearing on the Examiner's Docket scheduled for January 11, 2001.

Very truly yours,



W. Thomas Kellahin

cc: Michael H. Feldewert, Esq., Attorney for applicant
Phillips Petroleum Company
Attn: Larry Sanders

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

**IN THE MATTER OF THE APPLICATION
OF MAYNARD OIL COMPANY FOR
SIMULTANEOUS DEDICATION
LEA COUNTY, NEW MEXICO**

CASE NO. 12539

MOTION TO DISMISS

Comes now PHILLIPS PETROLEUM COMPANY ("Phillips"), by its attorneys, Kellahin and Kellahin, hereby moves the Division to dismiss this case because this matter has been rendered moot by the Applicant, Maynard Oil Company, ("Maynard") having agreed to plug and abandon the Wilson-Morrow Gas Pool interval currently being produced in the Wilson Deep Unit Well No. 1 (Unit F) if and when Maynard elects to drill the second well in the same 160-acres in which the Wilson Deep Unit Well No 1 is located;

and in support states:

RELEVANT FACTS

1. Maynard has applied to the New Mexico Oil Conservation Division ("Division") for an exception from Rule 104.C(2)(b) to have two (2) Morrow gas wells in the same 160-acre portion (NW/4) of a 320-acre gas spacing unit and authority to simultaneously dedicate the W/2 of Section 13, T21S, R34E for production from the Wilson-Morrow Gas Pool to its existing Wilson Deep Unit Well No. 1 (Unit F) to its proposed Wilson Deep Unit Well No. 2 to be located in Unit B of this section.

2. Phillips Petroleum Company is the operator of the Corner Pocket "14" Well No. 1 which is dedicated to the N/2 of Section 14, T21S, R34E and which produces from the Wilson-Morrow Gas Pool.

3. On January 4, 2001, Maynard agreed with Phillips that Maynard would plug and abandon the Wilson-Morrow Gas Pool interval in Maynard's Wilson Deep Unit Well No. 1 if and when it elects to drill its Wilson Deep Unit Well No. 2. **See Exhibit 1 attached.**

4. On January 9, 2001, Larry Sanders of Phillips Petroleum Company confirmed with Mr. Chris Williams, the District Supervisor of the Hobbs District of the Division that Maynard Oil Company can obtain his approval of an application for permit to drill the second Morrow gas well in the same NW/4 as the Wilson Deep Unit Well No. 1. without having obtained a Division order approving simultaneous dedication.

5. Maynard, its own actions in agreeing to abandon the Wilson Morrow Gas Pool interval in the first well when it drills the second well, has made is unnecessary for the Division to take any action in Case 12539.

WHEREFORE Phillips Petroleum Company requests that the Division Hearing Examiner grant this motion and dismiss Oil Conservation Division Case 12539.

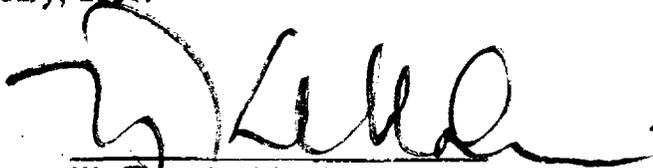


W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

NMOCD Case 12539
Phillips Petroleum Company's Motion to Dismiss
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CERTIFICATE OF SERVICE

I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant this 9th day of January, 2001.

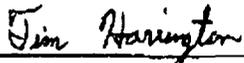


W. Thomas Kellahin

VERIFICATION

State of Texas)
)ss.
County of Midland)

Comes now Tim Harrington, being first duly sworn, upon his oath deposes and states: That he is a petroleum engineer for Phillips Petroleum Company, Odessa, Texas, that he has read the foregoing pleadings and knows the contents thereof, and that the same is true and correct of his own knowledge, information and belief.



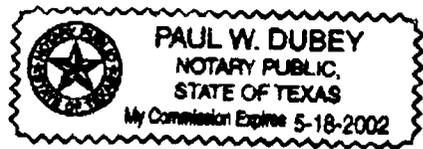
Tim Harrington

SUBSCRIBED AND SWORN to before me by Tim Harrington, who personally appeared before me this 9th day of January, 2001.



Notary Public

My Commission Expires: 5-18-2002



Seal

Maynard Oil Co.
8080 N. Central Expy. Ste. 660
Dallas, Texas 75206
Tel. (214) 891-8880 Fax. (214) 891-8827

To: Tim Harrington

From: Tom Waller

Subject: Maynard Oil Co. proposed location NW/4 13-21S-34E, Lea, NM.

As per our conversation earlier this date, in the event Maynard Oil Co. (MOC) elects to drill a second Morrow well in the NW/4 of Sec 13-T21S-R34E it is hereby agreed that MOC will plug and abandon the Morrow interval in their Wilson Deep Unit #1. That interval being described as between 12,140 ft and 12,500 ft. as depicted on the Wilson Deep Unit #1, Lane Wells Induction Electrolog run on 6/16 63 and 7/19/63.

