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October 22, 1986

New Mexico Energy and
Minerals Department
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87503

Re: NMODC Case No. 8951; Application of Benson-Martin-Greer Corporation for the Amendment of Division Order No. R-8124, Rio Arriba County, New Mexico

Gentlemen:

Please be advised that Kevin Fitzgerald, Operations Manager for Mallon Oil Company, Denver, Colorado will be appearing before the Division to make a statement in the above-referenced case.

Very truly yours,

Edmund H. Kendrick

EHK:ds

15,161:105

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OCT 13 1987
OIL CONSERVATION DIVISION

October 12, 1987

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Case 8951:
Application of Benson-Montin-Greer Drilling Corporation for Amendment of Division Order R-8124, Rio Arriba County, New Mexico

and

Case 9111:
Application of Benson-Montin-Greer Drilling Corporation for Expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico

Dear Mr. LeMay:

This letter confirms our discussion of October 2, in which I advised you that a meeting had been held between Perry Pearce, Frank Douglas, Tom Kellahin and myself concerning certain hearings on the Gavilan area currently scheduled for October 15. The purpose of this meeting was to see if we could identify areas of agreement between the parties and eliminate certain disputes between Mallon, Greer, Dugan and Sun, thereby reducing the matters that we would need to ask the Commission to resolve. No real agreements were reached at that time, but we have agreed to continue exploration of possible avenues of settlement of the disputes between the parties.

In this regard, you should be advised that Mr. Greer has concluded that the Mancos reservoir in this area has deteriorated to such a point that his application for an additional period of time within which to make up accumulated underproduction for his E-6 Well is no longer meaningful and therefore, he hereby requests that Case 8951 be dismissed.

We also request the October 15th hearing in Case 9111 for expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area be continued and rescheduled for hearing during December, 1987.

Neither Mr. Pearce nor Mr. Kellahin oppose this requested continuance.

Your attention to this matter is appreciated.

Very truly yours,

WILLIAM F. CARR

WFC/mlh

cc: Albert R. Greer
W. Thomas Kellahin, Esq.
W. Perry Pearce, Esq.

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

February 25, 1987

GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87501
(505) 827-5800

Campbell & Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2088

Attn: William Carr

Re: Commission Case No. 8951 Application of Benson-Montin-Greer Drilling Corporation for Amendment of Order No. R-8124, Rio Arriba County, New Mexico.

Dear Mr. Carr,

The subject case was heard before the Commission on October 24, 1986, at which time testimony was presented showing the need for a 12 month period to make up accumulated underproduction for certain wells which were shut-in during a long-term reservoir pressure test conducted in the Mancos formation (test authorized by Order No. R-8124). The Commission then continued this case for the Commission Hearing in March 1987 or "in another hearing which might be convened before that time".

The applicant in this matter, Al Greer, has requested this case be continued to the examiner hearing scheduled for March 18, 1987. In reviewing the record on this matter, I find it to be in the best interest to all concerned if the case were continued at the Division level. Therefore, Commission Case No. 8951 is hereby continued to the March 18, 1987 Examiner's Hearing.

Sincerely,

William J. LeMay
Director

WJL:MES:et

xc: Al Greer
David Blandford
Kevin Fitzgerald
Michael E. Stogner
David R. Catanach
Case File No. 8951

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February 25, 1987

Hand Deliver

Mr. William J. LeMay, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case 8951: Application of Benson-Montin-Greer Drilling Corp. for Amendment of Division Order R-8124 Rio Arriba County, New Mexico

Dear Mr. LeMay:

As you are aware, the above-referenced case was continued following a Commission hearing on October 24, 1986 "...until the Gavilan case should be reopened, either at the March, 1987, Commission Hearing, or in another hearing which might be convened before that time,...". I have discovered this morning that this case may be set for hearing before a Division Examiner on March 18, 1987.

I am concerned that if the case is reopened on March 18, 1987, it will result in a de novo hearing before an examiner following a Commission Hearing, a proceeding which is, perhaps, outside the rules of the Division. I am also concerned that, inasmuch as the case was continued by the Commission as noted above, to reopen the matter on March 18 may create notice problems which could be raised at a later date to challenge any Order resulting from the March 18 hearing.

On behalf of Benson-Montin-Greer Drilling Corporation, I, therefore, request that the case not be advertised for hearing on March 18, 1987, that the case be reopened at the March 30, 1987 Commission Hearing and at that time be continued to another date. I believe that this approach would be consistent with the previous ruling of the Commission and with what is apparently the Commission's intention of not hearing this matter in conjunction with other cases scheduled for March 30.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC:bh