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M.S.

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MAR 11 1987

OIL CONSERVATION DIVISION

HAND DELIVERED

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

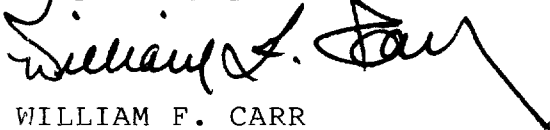
Re: Case 9089: Application of David Petroleum Company
for Compulsory Pooling, Unorthodox Oil Well Location,
and the Rescission of Division Order No. R-8398,
Lea County, New Mexico.

Dear Mr. LeMay:

David Petroleum Company hereby requests that the above-referenced
case scheduled for hearing on March 18, 1987, be dismissed.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR DAVID PETROLEUM COMPANY

WFC/ab

cc: Bill Owen
W. Thomas Kellahin

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

KELLAHIN and KELLAHIN
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February 26, 1987

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FEB 26 1987

OIL CONSERVATION DIVISION

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

"Hand Delivered"

Re: Application of David Petroleum
Corporation for Compulsory Pooling
and Unorthodox location
NMOCD Case 9089

Dear Mr. LeMay:

On behalf of Amerada Hess Corporation, please find enclosed for your consideration a Motion to Dismiss and a Motion for a Continuance in the referenced case which is now set for hearing on the Examiner's docket of March 4, 1987.

We would appreciate you advising us of your decision on this question prior to Tuesday, March 3, 1987 so that we might avoid the expense of bring witnesses to a hearing that, in our opinion, should not be held.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: William F. Carr, Esq. ("Hand Delivered")
Attorney for David Petroleum Corporation

Chad Dickerson, Esq.
Attorney for Yates Petroleum Corporation

David Castro, Esq.
Attorney for Amerada Hess Corporation

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

FEB 23 1987

IN THE MATTER OF THE APPLICATION
OF DAVID PETROLEUM CORPORATION FOR
COMPULSORY POOLING AND UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9089

MOTION OF AMERADA HESS CORPORATION FOR
DISMISSAL OF APPLICATION AND FOR
CONTINUANCE OF THE HEARING

COMES NOW AMERADA HESS CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and moves that the Oil Conservation Division of New Mexico continue the hearing in Case 9089 now set for March 4, 1987 on the grounds that the applicant has failed to comply with Notice Rule 1207, and further, that the application must be dismissed because the Division has already entered a compulsory pooling Order R-8398 in Case 9058, thereby deciding this issue, and in support of its motion would state:

1. Applicant, David Petroleum Company, has filed for a hearing to compulsory pool the interest of Amerada Hess Corporation in the N/2NE/4 of Section 14, T17S, R37E, NMPM, Lea County, New Mexico.

2. The Division has set the application for hearing on March 4, 1987.

3. Applicant, David Petroleum Corporation, by letter dated February 18, 1987, and received by Amerada Hess Corporation on February 23, 1987, notified Amerada Hess of the hearing set on March 4, 1987.

4. The notice to Amerada Hess was mailed only 14 days prior to the hearing and received by Amerada Hess only 9 days prior to the hearing.

5. Division Rule 1207(b) requires that an applicant shall give notice at least 20 days prior to the date of hearing.

6. As a result of failure to comply with Division Rule 1207(b), Amerada Hess is unable to adequately prepare for a hearing to be held on March 4, 1987.

7. On February 4, 1987, the Division held a hearing on the application of Yates Petroleum Corporation in Case 9058 to compulsory pool the interest of David Petroleum Company and Amerada Hess Corporation in the same acreage as is involved in the David Petroleum Company application.

8. On February 18, 1987, the Division entered Order R-8398 approving the Yates Petroleum Corporation application in that case and has decided the issues raised in the David Petroleum Company application in Case 9089.

9. The application of David Petroleum Company constitutes a collateral attack on a valid effective

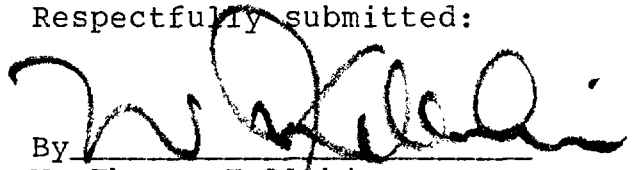
Division Order decided on the same facts and issues now before the Division in Case 9089 and is in direct conflict with Order R-8398.

10. That the period of appeal time available to David Petroleum Company to contest Order R-8398 has not yet expired and should they decide to contest that Order they should do so with a DeNovo application rather than by filing a new compulsory pooling application which constitutes a collateral attack on that prior Division Order.

11. That David Petroleum Corporation has failed to exhaust its administrative remedies in Order R-8398.

WHEREFORE, Amerada Hess Corporation moves that the application of David Petroleum Corporation be dismissed and the hearing set for March 4, 1987 be vacated.

Respectfully submitted:



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

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

FEB 26 1987

IN THE MATTER OF THE APPLICATION
OF DAVID PETROLEUM CORPORATION FOR
COMPULSORY POOLING AND UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9089

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CONTINUANCE OF THE HEARING

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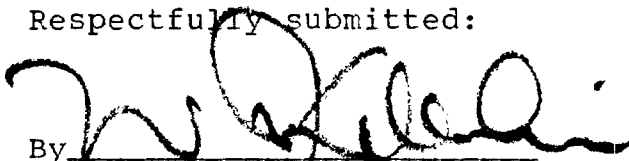
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