

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



SARREY CARL THERS  
GOVERNOR

September 9, 1987

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STATE LAND OFFICE BUILDING  
SANTA FE NEW MEXICO 87501  
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Mr. William F. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 9143  
ORDER NO. R-8508

Applicant:  
Amerind Oil Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Sincerely,

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD           x            
Artesia OCD           x            
Aztec OCD                           

Other Thomas Kellahin

CAMPBELL & BLACK, P.A.

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August 14, 1987

AUG 14 1987

OIL CONSERVATION DIVISION

William J. LeMay, Chairman  
Oil Conservation Commission  
c/o Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Case No. 9143  
Application of Amerind Oil Co. for an Unorthodox  
Oil Well Location, Lea County, New Mexico

Dear Mr. LeMay:

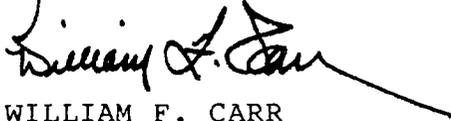
Enclosed for your consideration is the proposed Order in the above referenced case of the applicant, Amerind Oil Co. We have included in this draft references to the transcript of the July 16, 1987 hearing which support certain proposed findings.

As you will note, this proposed Order provides for no penalty on production from the Amerind Well at the proposed unorthodox location. If, however, the Commission deems it advisable to impose a penalty on the well's ability to produce, it is Amerind's position that such penalty should be based only on the percentage of this location's encroachment toward the common boundary between it and Tipperary's tract to the south. In this regard we would direct your attention to pages 25 and 26 of the Transcript of this hearing. We also remind the Commission that we are prepared to run a bottom hole survey on this well and believe that the exact bottom hole location is the appropriate location to use if the Commission deems it necessary to impose a penalty.

William J. LeMay  
August 14, 1987  
Page Two

As the Commission is aware, drainage is occurring in this reservoir from the Amerind properties to the Tipperary tract and we therefore request that the Order in this case be expedited to the fullest extent possible.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr", with a long horizontal flourish extending to the right.

WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Robert C. Liebrock (w/enc.)  
Bill Seltzer (w/enc.)  
✓ Victor T. Lyon (w/enc.)

KELLAHIN, KELLAHIN AND AUBREY

*Attorneys at Law*

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Jason Kellahin  
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Santa Fe, New Mexico 87504-2265

August 7, 1987

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AUG 07 1987

Mr. V. T. Lyon  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: Amerind Oil Inc.  
Case 9143

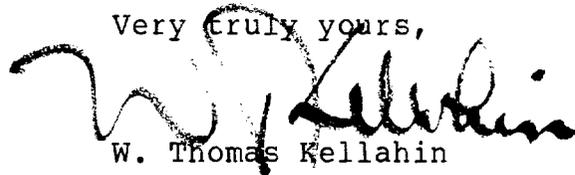
Dear Mr. Lyon:

On behalf of Tipperary Oil and Gas Corporation, Pennzoil Company, and W. A. Moncrief, Jr., please find enclosed my proposed order for entry in the referenced case which was heard by the Commission at the hearing held on July 16, 1987.

I have also enclosed for your reference the following prior Division orders which I referred to in my closing statement: Orders R-8366, R-8389, R-8025-A and R-8339. The penalty I have proposed for Amerind is consistent with the method used by the Division in both the Pennzoil Case 9003 and the Phillips Case 9036.

Please let me know if I can be of further assistance.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mark S. Martin  
Tipperary Corporation  
P. O. Box 3179  
Midland, Texas 79701

Bill Hollingshead  
Pennzoil Company  
P. O. Box 1828  
Midland, Texas 79701

KELLAHIN, KELLAHIN & AUBREY

Mr. V. T. Lyon  
August 7, 1987  
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W. A. Moncrief Oil Company  
Metro Building, Suite 400  
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