

Dockets Nos. 16-83 and 17-83 are tentatively set for May 25 and June 8, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 11, 1983

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE
ROOM, STATE LAND OFFICE BUILDING, SANTA FE,
NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or Richard L. Stamets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for June, 1983, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7861: Application of DEPCO, Inc. for compulsory pooling, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SW/4 of Section 21, Township 5 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7838: (Continued from April 27, 1983, Examiner Hearing)

Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4,093 feet to 5,216 feet in its Hondo State Well No. 1 located 660 feet from the South and East lines of Section 21, Township 14 South, Range 33 East.

CASE 7862: Application of Highland Production Co. for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying the SE/4 SW/4 of Section 26, Township 24 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7863: Application of Tenneco Oil Company for compulsory pooling, Rio Arriba County, New Mexico.

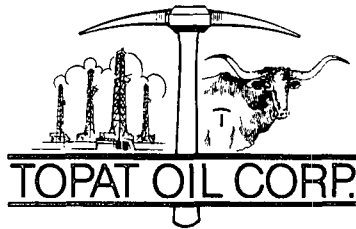
Applicant, in the above-styled cause, seeks an order pooling two gas proration units in the E/2 of Section 19, Township 26 North, Range 6 West. Applicant seeks to pool all mineral interests in the Dakota and Mesaverde formations underlying the E/2 of this section to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks the pooling of all mineral interests in the Chacra formation underlying the NE/4 of this section to be dedicated to this well in the event that a dual completion in the Chacra is made. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7850: (Continued from April 27, 1983, Examiner Hearing)

Application of Dowling Petroleum Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian formation underlying the NW/4 NE/4 of Section 31, Township 16 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7851: (Continued from April 27, 1983, Examiner Hearing)

Application of Dowling Petroleum Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian formation underlying the NE/4 NE/4 of Section 31, Township 16 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.



505 NORTH BIG SPRING STREET
SUITE 204 ENERGY SQUARE
MIDLAND, TEXAS 79701-8602
(915) 682-6340

Stogner

July 11, 1983

Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attn: Joe D. Ramey, Director

RE: Case No. 7862, Order No. R-7284

Gentlemen:

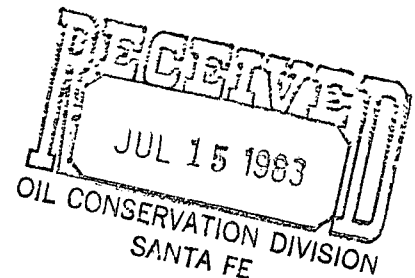
In accordance with the captioned order of the Division, we respectfully submit a copy of the AFE and letter I sent by Certified Mail to the non-consenting working interest owners.

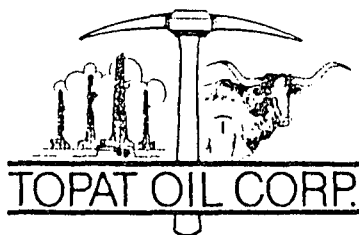
Thank you for your assistance in this matter.

Very truly yours,

Timothy J. Hogan

TJH:ba
Enclosure

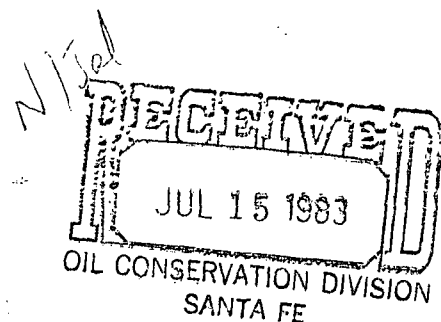




505 NORTH BIG SPRING STREET
SUITE 204 ENERGY SQUARE
MIDLAND, TEXAS 79701-8602
(915) 682-6340

June 9, 1983
CERTIFIED MAIL

Aubrey A. Ross and Norman A. Ross,
Co-Administrators of the Estate of
Robertha Geyer, deceased
6206 Woodcrest
Dallas, Texas 75214



Re: SE/4 of SW/4 of Section 26,
T-24S, R-36, Lea County, NM

Gentlemen:

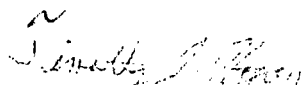
In accordance with the provisions of the Order of the Oil Conservation Division of New Mexico dated May 25, 1983, regarding compulsory pooling of the captioned land, we are again furnishing you with an estimation of well costs of which the Estate has the right to pay its share (18/32 of 3/64 of \$173,860.00 = \$4584.20). If you decide not to pay your share of well costs, the Estate will have said costs withheld from production plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of said well.

Please indicate your decision to participate or not to participate in the space provided below and return one signed copy to me at the above address. Failure to return this letter with your decision within 30 days from the day you receive same, will be construed as your election not to participate.

If we receive, within 30 days, the executed and court approved Oil and Gas Lease that we previously negotiated, we may forego the pooling order. This option will be to your advantage because you will not have to pay any well costs nor will you have your share of costs plus 200% withheld from production. We prefer this option because we will not have to undertake additional force pooling proceedings on subsequent wells.

Should you have any questions, please call.

Very truly yours,


Timothy J. Hogan

We elect to participate/ not to participate
(circle one)

Aubrey A. Ross

Norman A. Ross

enclosures: AFE and Order
cc: Burns Parum

Highland Production Co.

AUTHORITY FOR EXPENDITURE

LEASE NO. 67-A APPR. NO. _____
LEASE NAME Double S WELL NO. 1 W. I. _____
COUNTY Lea STATE New Mexico FIELD Jalmat
LOCATION: 990' From the south line and 2310' from the west line of Sec. 26, T-24-S, R-36-E.

DRILLING INTANGIBLES:				PRODUCER	DRY HOLE
1.	Drilling Cost	<u>3400'</u>	Feet @ <u>10.00</u> Per Foot	<u>34,000.00</u>	
2.	Day Work			<u>4,100.00</u>	
3.	Coring Service		Well Surveys	<u>6,000.00</u>	
4.	Testing				
5.	Fuel		Water	<u>3,600.00</u>	
6.	Mud		Mud Logging	<u>5,000.00</u>	
7.	Cementing Service		Cement Floats	<u>7,500.00</u>	
8.	Company Labor		Contract Labor		
9.	Digging Pits		Filling Pits	<u>600.00</u>	
10.	Roads & Bridges		Dredging & Grading	<u>3,000.00</u>	
11.	Acidizing		Fracturing Perforating	<u>31,650.00</u>	
12.	Plugging				
13.	Trucking Cost				
14.	Development Superintendence		days @ \$ _____/day	<u>2,400.00</u>	
15.	Rental Equipment			<u>6,000.00</u>	
16.	Swabbing and Testing			<u>4,000.00</u>	
17.	Other Costs				
Total Intangibles				<u>107,850.00</u>	

WELL EQUIPMENT:

18.	Casing	<u>1400</u>	Ft. of <u>8-5/8</u>	@ <u>8.90</u>	Per Ft.	
		<u>3400</u>	Ft. of <u>5</u>	@ <u>4.75</u>	Per Ft.	
			Ft. of	@	Per Ft.	<u>28,610.00</u>
19.	Tubing	<u>3400</u>	Ft. of <u>2 7/8</u>	@ <u>3.50</u>	Per Ft.	<u>11,900.00</u>
20.	Casing Head					
21.	Xmas Tree or Pumping Connections					<u>1,000.00</u>
22.	Pumping Unit					<u>9,000.00</u>
23.	Engine					<u>1,800.00</u>
24.	Sucker Rods					<u>2,500.00</u>
25.	Pump					<u>1,000.00</u>
26.	Tank Battery					<u>8,500.00</u>
27.	Separator or Dehydration Equip.					<u>1,200.00</u>
28.	Metering Equipment					
29.	Flow Lines					<u>500.00</u>
30.	Other					
Total Tangibles						<u>66,010.00</u>
TOTAL COST OF WELL						<u>173,860.00</u>

REMARKS: _____

Prepared by Tom E. Smith Title _____ Date 4-18-83
Approved _____ Title _____ Date _____