

MM
4-17-00

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 12364

APPLICATION OF

DUGAN PRODUCTION CORP. seeking authority to utilize its Stella Needs A Com No. 1, located 1650 feet from the South and West lines (Unit K) of Section 36, Township 30N, Range 14W, to dispose of produced salt water into the Mesaverde formation through the perforated interval from approximately 3,690 feet to 3,820 feet.

PRE-HEARING STATEMENT

This prehearing statement is submitted by John A. Dean, Jr. for Dugan Production Corp. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES**APPLICANT**John Alexander, Vice PresidentOffices

Contact Person: John Alexander
Dugan Production, Corp., P.O. Box 420,
Farmington, NM 87499 (505)325-1821
name, address, phone and
contact person

OPPOSITION OR OTHER PARTYN/A

name, address, phone and
contact person

ATTORNEYJohn A. Dean, Jr., Curtis & Dean LawP.O. Drawer 1259Farmington, NM 87499(505)325-6031**ATTORNEY**N/A

Post-it* Fax Note 7671		Date <u>4/14/2000</u>	# of pages <u>6</u>
To <u>MARK Ashley / Gen. Mgmt.</u>	From <u>JOHN DEAN</u>		
Co./Dept <u>NMOC D</u>	Co. <u>DUGAN Prod.</u>		
Phone # <u>505-827-8183</u>	Phone # <u>505-325-1821</u>		
Fax # <u>505-827-8177</u>	Fax # <u>505-327-4613</u>		

Pre-hearing Statement
NMOCD Case No. 12364
Page 2.

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Dugan Production Corp. proposes that the Stella Needs A Com No. 1, located 1650 feet from the South and West lines (Unit K) of Section 36, Township 30N, Range 14W, be converted from a Dakota producing well to a Mesaverde Salt Water Disposal Well. The Mesaverde formation is not productive of hydrocarbons in this area and is not part of the Blanco-Mesaverde Pool. Injection will be into the Point Lookout Section of the Mesaverde. The applicant will demonstrate that while no cement currently covers this section, injection can be confined to the proposed interval. The Commission has previously approved disposal into the same interval at Dugan's Stella Needs A Com No. 1E, located 790 feet from the North and West lines of Section 36, Township 30N, Range 14W, (Unit D), by Administrative Order No. SWD-595.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Pre-hearing Statement
NMOCD Case No. 12364
Page 3.

PROPOSED EVIDENCE

APPLICANT

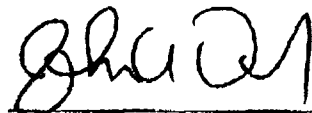
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
John Alexander, Petroleum Engineer	20 minutes	4

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Unknown		

PROCEDURAL MATTERS
**(Please identify any procedural matters which
need to be resolved prior to the hearing)**

1. The location of this well was advertised as being in the Blanco-Mesaverde Pool. The Mesaverde at this location is not in any oil or gas pool.
2. The Commission will allow the injection interval water sample taken from the Stella Needs A Com#1E (SWD-595) as evidence of the water quality in the proposed injection interval for this application.



John A. Dean, Jr.
Curtis & Dean Law Offices for
Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499
(505) 325-1821