



dugan production corp. OIL CONSERVATION DIVISION
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October 13, 1989

Mr. Bill LeMay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Case No. 9790

**Re: Application of Mallon Oil Company
Creation of Gavilan Mesaverde and Special Pool Rules
Case #9790 Set for October 18, 1989
Rio Arriba County, New Mexico**

Dear Mr. LeMay:

I am writing to set forth Dugan Production's position with respect to the captioned application wherein Mallon Oil Company is seeking to create a new pool for the production of gas from the Mesaverde formation with the initial area being 12 sections in the northeast portion of Township 25 North, Range 2 West.

Dugan Production has reviewed Mallon Oil's proposal and has no objection. As you may recall, Dugan Production, in a letter dated February 15, 1989 (copy attached), requested that the NMOCD consider adopting 320 acre spacing for Mesaverde development in this general area and at that time it was our thought that the Blanco Mesaverde should pool be extended to include this area since this area was within 3 to 4 miles of the existing eastern boundary of the Blanco Mesaverde pool. Since our February letter, it is our understanding that Mallon Oil has developed information that supports the formation of a new pool for Mesaverde development.

Although we have not reviewed Mallon's data, we have studied this area sufficiently and do support 320 acre development in the Mesaverde. Dugan Production does have leasehold interest within this area and does anticipate future Mesaverde development to include our acreage.

At the current time, we do not anticipate appearing at the hearing and, therefore, request that you make this letter a part of the record in Case #9790.

Should you have any questions regarding Dugan's position with respect to this matter, please feel free to contact me.

Sincerely,

John D. Roe

John D. Roe
Petroleum Engineer

JDR/cg

MERIDIAN OIL

OIL CONSERVATION DIVISION
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October 1989 **88 OCT 16 AM 9 54**

New Mexico Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87502

Re: **NMOCD Examiner Hearing**
Proposed Gavilan Mesaverde Pool
Sections 1, 2, 3, 10, 11, 12, 13, 14,
15, 22, 23 and 24, T25N, R2W
Rio Arriba County, New Mexico

Gentlemen:

This is to advise that Meridian Oil has no objection and supports the referenced application by Mallon Oil Company.

Yours very truly,



Linda Donohue
Landman

LD:jf

Doc. 18+

Mallon Oil Corres. File

cc: David Wantuck
Mallon Oil (Federal Express)
Attention: Mr. Joe Cox
1099 18th Street, Suite 2750
Denver, Colorado 80202

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 5444
DENVER, COLORADO 80217-5444

October 5, 1989

Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87504

Attention: Mr. William J. Lemay

GAVILAN-MESAVERDE POOL
SECTIONS 1-3, 10-15, 22-24
T25N-R2W
RIO ARriba COUNTY, NEW MEXICO

Case 9790

Gentlemen:

From the data currently available, Mobil Oil Corporation supports Mallon Oil Company's application to form the Gavilan-Mesaverde Pool to include Sections 1-3, 10-15, and 22-24 T25N-R2W, Rio Arriba County, New Mexico.

Very truly yours,



B. R. Maynard
Regulatory Compliance Manager

CNE8924
LSB:CNE/jag

cc: Mallon Oil Company
1099 18th Street, Suite 2750
Denver, CO 80202
Attention: Mr. Joe H. Cox, Jr.

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