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OIL CONSERVATION DIV.  
SANTA FE

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

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

CASE NO. 8350 (Reopened)

CASE 8350 BEING REOPENED PURSUANT TO  
DIVISION ORDER NOS. R-7745 AND  
R-7745-A, WHICH PROMULGATED TEMPORARY  
SPECIAL RULES AND REGULATIONS FOR THE  
GAVILAN GREENHORN-GRANEROS-DAKOTA OIL  
POOL IN RIO ARRIBA COUNTY, NEW MEXICO

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by BENSON-  
MONTIN-GREER DRILLING CORPORATION as required by the Oil  
Conservation Division.

**APPEARANCE OF PARTIES**

**PARTICIPANT**

**ATTORNEY**

BENSON-MONTIN-GREER  
DRILLING CO.  
221 Petroleum Ctr Building  
Farmington, NM 87401  
ATTN: Al Greer

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**OPPOSITION OR OTHER PARTY**

**ATTORNEY**

SEE OPPOSITION FILING, IF ANY

**STATEMENT OF CASE**

PARTICIPANT

Benson-Montin-Greer Drilling Corporation is in support of making the temporary rules and regulations permanent for the subject pool.

OPPOSITION OR OTHER PARTY

SEE OPPOSITION FILING

**PROPOSED EVIDENCE**

PARTICIPANT

WITNESSES	EST. TIME	EXHIBITS
NONE		

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING		

**PROCEDURAL MATTERS**

None.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR BENSON-MONTIN-  
GREER DRILLING CORPORATION

NM&O OPERATING COMPANY  
SUITE 900  
23 WEST FOURTH  
TULSA, OKLAHOMA 74103

(918) 584-3802

September 17, 1992

VIA HAND DELIVERY

David R. Catanach, Examiner  
New Mexico Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: NMOCD Case No. 8350 (Reopened)  
Gavilan Greenhorn-Graneros-Dakota Oil Pool  
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Please consider this correspondence as NM&O Operating Company's ("NM&O") request that the temporary special rules and regulations, as set forth pursuant to provisions of Division Order Nos. R-7745 and R-7745-A, for the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 320 acre spacing and proration units and designated well locations, be made permanent.

NM&O, which operates wells in the referenced Oil Pool, believes that the establishment of permanent pool rules as set forth under the current temporary special rules and regulations will protect correlative rights in the field and will be to the best advantage of the taxpayers of the State of New Mexico. However, in the event the Oil Conservation Division should rule to revert the field spacing to 40 acres, NM&O would encourage a provision that would "grandfather" existing 320 acre spacing and proration units, and designated well locations.

Very truly yours,



Larry D. Sweet  
President

# MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202  
(303) 293-2333

OIL CONSERVATION DIVISION  
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September 11, 1992

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

Attention: Mr. David Catanach

Re: NMOCD Case 8350 (Re-opened)  
Examiner Hearing  
Docket 31-92  
September 17, 1992  
Gavilan Greenhorn-Graneros-Dakota Pool  
Rio Arriba County, New Mexico

Dear Mr. Catanach:

The above referenced case is being re-opened pursuant to provisions of Division Orders R-7745 and R-7745-A, concerning temporary rules for the referenced pool. Mallon Oil Company operates a well in the pool and is contemplating recompleting other wells to zones in the pool.

Because we feel that the change to forty acre (statewide) spacings would be economically impractical for the zones in the pool, and thus create a situation wherein correlative rights may be in jeopardy we hereby request that the current, temporary rules be made permanent.

Sincerely,

MALLON OIL COMPANY



Kevin M. Fitzgerald  
President

KMF/tm

**NM&O OPERATING COMPANY**

**SUITE 900  
23 WEST FOURTH  
TULSA, OKLAHOMA 74103**

**(918) 584-3802**

September 17, 1992

**VIA HAND DELIVERY**

David R. Catanach, Examiner  
New Mexico Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: NMOCD Case No. 8350 (Reopened)  
Gavilan Greenhorn-Graneros-Dakota Oil Pool  
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Please consider this correspondence as NM&O Operating Company's ("NM&O") request that the temporary special rules and regulations, as set forth pursuant to provisions of Division Order Nos. R-7745 and R-7745-A, for the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 320 acre spacing and proration units and designated well locations, be made permanent.

NM&O, which operates wells in the referenced Oil Pool, believes that the establishment of permanent pool rules as set forth under the current temporary special rules and regulations will protect correlative rights in the field and will be to the best advantage of the taxpayers of the State of New Mexico. However, in the event the Oil Conservation Division should rule to revert the field spacing to 40 acres, NM&O would encourage a provision that would "grandfather" existing 320 acre spacing and proration units, and designated well locations.

Very truly yours,



Larry D. Sweet  
President

**BENSON-MONTIN-GREER DRILLING CORP.**

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221 PETROLEUM CENTER BUILDING, FARMINGTON, NM 87401 505-325-8874 FAX: 505-327-9207

September 8, 1992

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Attention: Mr. David Catanach

Re: NMOCD CASE 8350 (REOPENED)  
EXAMINER HEARING  
DOCKET 31-92  
SEPTEMBER 17, 1992  
GAVILAN GREENHORN-GRANEROS-  
DAKOTA OIL POOL  
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

The captioned case is being reopened pursuant to provisions of Division Order Nos. R-7745 and R-7745-A which orders promulgated temporary special rules and regulations for the Gavilan Greenhorn-Graneros-Dakota oil pool including a provision for 320-acre spacing and proration units. Benson-Montin-Greer Drilling Corp. operates wells in this pool. They are all stripper wells. We hereby request that the temporary rules be made permanent.

One of our concerns should the spacing revert to 40 acres would be the problem of distribution of production income to royalty owners, who have been paid on the basis of 320-acre spacing, and what would happen if spacing reverted to 40 acres.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:

Albert R. Greer, President

ARG/tlp