

Application of Tahoe Energy, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation of the Saunders-Permo Upper Pennsylvanian Pool, in the open hole interval from approximately 10,077 feet to 10,165 feet in its Red Dog Well No. 1 located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 2, Township 14 South, Range 33 East. Said well is located approximately 19.5 miles south-southeast of Caprock, New Mexico.

CASE 10312: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from approximately 4500 feet to 5670 feet in its David Ross "AIT" Federal Well No. 1 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 35, Township 22 South, Range 31 East, Undesignated Livingston Ridge-Delaware Pool. Said location is approximately 6.5 miles north of New Mexico State Highway No. 128 at milepost No. 16.

CASE 10313: Application of BWA Oil and Gas for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pitchfork Ranch-Strawn Pool underlying the SW/4 NE/4 (Unit G) of Section 34, Township 24 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool, said unit to be dedicated to its existing Moore "34" Com Well No. 1 located 1980 feet from the North and East lines of said Section 34, which was plugged and abandoned in January 1988 and was re-entered on March 30, 1990. Also to be considered will be the cost of re-entering and recompleting 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 the re-entering and recompletion of said well. Said unit is located approximately 16 miles west by north of Jal, New Mexico.

CASE 10291: (Continued from May 2, 1991, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and assigning discovery allowables to certain pools in Lea County, New Mexico.

- (a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated the South Shoe Bar-Wolfcamp Pool. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

In addition, the discovery well for said South Shoe Bar-Wolfcamp Pool, the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 51,240 barrels of oil to be assigned over a two year period.

- (b) Assign a bonus discovery allowable of 37,930 barrels of oil to the Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D of Section 31, Township 19 South, Range 33 East, NMPM, the discovery well for the Geronimo-Delaware Pool. This discovery allowable is to be assigned over a two-year period.

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 13, 1991

HAND-DELIVERED

RECEIVED

Mr. David Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. 10311:
Application of Tahoe Energy, Inc. for Salt Water Disposal, Lea County, New
Mexico

Dear Mr. Catanach:

Tahoe Energy, Inc. sought administrative approval for salt water disposal into the Cisco formation in the Saunders-Permo Upper Pennsylvanian Pool in its Red Dog Well No. 1 located 1650 feet from the South line and 1980 feet from the East line of Section 2, Township 14 South, Range 33 East, Lea County, New Mexico. An objection to this application was filed on behalf of Justice Oil Company, by its attorney Robert L. Love of Hobbs, New Mexico.

I have been advised on this date that Justice Oil Company is withdrawing its objection. Enclosed for your files is a copy of the letter from Justice which confirms that it no longer objects to this location.

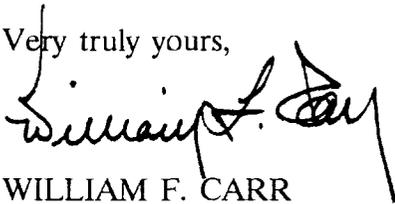
I understand there have been no other objections to Tahoe's application and, therefore, request that the Oil Conservation Division approve the application administratively. If this

Mr. David Catanach
Hearing Examiner
Oil Conservation Division
May 13, 1991
Page Two

meets with your approval, please advise and we will dismiss Case No. 10311 which is currently scheduled for hearing before you on May 16, 1991.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large, stylized initial "W".

WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Mr. Kenneth A. Freeman
Tahoe Energy, Inc.
3909 W. Industrial Road
Midland, Texas 79703

ROBERT L. LOVE & ASSOCIATES

ATTORNEYS AT LAW

P. O. BOX 1099

HOBBS, NEW MEXICO 88240

PHONE
(505) 397-7461

ROBERT L. LOVE, J.D., LL.M.

May 10, 1991

Mr. William J. Lemay, Director
Oil Conservation Commission
State of New Mexico Energy, Minerals,
and Natural Resources Dept.
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Re: Case No. 10311

Dear Sirs:

This letter is formal notification that Justice Oil Company hereby withdraws its objection in Case No. 10311, application of Tahoe Energy, Inc. for a Salt Water Disposal well located in Lea County, New Mexico.

By carbon copy of this letter, we are notifying Tahoe Energy, Inc. of the withdrawal of our objection.

Yours truly,


Robert L. Love *R.L.*

RLL/kz

cc: Kenneth A. Freeman
Tahoe Energy, Inc.
3909 W. Industrial Ave.
Midland, TX 79703
FAX #915-697-4213

ROBERT L. LOVE & ASSOCIATES

ATTORNEYS AT LAW

P. O. BOX 1099

HOBBS, NEW MEXICO 88240

OIL CONSERVATION DIVISION
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'91 MAY 16 AM 9 27
PHONE
(505) 397-7461

ROBERT L. LOVE, J.D., LL.M.

May 10, 1991

Mr. William J. Lemay, Director
Oil Conservation Commission
State of New Mexico Energy, Minerals,
and Natural Resources Dept.
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Re: Case No. 10311

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By carbon copy of this letter, we are notifying Tahoe Energy, Inc. of the withdrawal of our objection.

Yours truly,

Robert L. Love
Robert L. Love *K.Z.*

RLL/kz

cc: Kenneth A. Freeman
Tahoe Energy, Inc.
3909 W. Industrial Ave.
Midland, TX 79703
FAX #915-697-4213

TAHOE ENERGY, INC.



PHONE 1915 697 4173 • 3909 W. INDUSTRIAL AVE • MIDLAND TEXAS 79703

April 23, 1991

Justis Oil Company
P. O. Box 1099
Hobbs, New Mexico 88240

Attention: Mr. Bob Love

Re: SWD Application to NMOCC

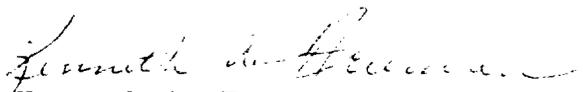
Dear Mr. Love:

Pursuant to the above referenced application concerning the conversion of the Red Dog #1 to a salt water disposal well, Tahoe Energy agrees to give Justis Oil Company the right to dispose it's produced water from the Huber State into the Red Dog #1, if the application to convert is approved. This agreement is made assuming the Red Dog #1 will have the capacity to accommodate the Huber State and is also made with the understanding that Justis Oil Company will withdraw it's objection to the conversion of the Red Dog #1.

Justis Oil Company would lay a line to the Red Dog #1 location and install a meter that would be read once a month. The charge for disposal to Justis Oil would be \$.20 per barrel. Other details, if any, would be made a a later date.

Please send a copy of the withdrawal of your objection to the Red Dog #1 conversion to me at the address shown on this letterhead.

Very truly yours,


Kenneth A. Freeman
President

KAF/jf
xc:file:KF-06-91

ROBERT L. LOVE & ASSOCIATES

ATTORNEYS AT LAW

P. O. BOX 1099

HOBBS, NEW MEXICO 88240

OIL CONSERVATION DIVISION

RECEIVED

'91 APR 10 AM 8 48

PHONE
(505) 397-7461

ROBERT L. LOVE, J.D., LL.M.

April 10, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

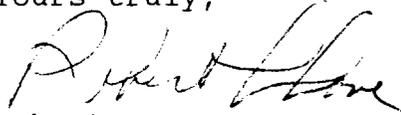
Re: Red Dog #1, Section 11, Township 14 South, Range 33 East,
N.M.P.M., Lea County, New Mexico

Dear Sirs:

Robert L. Love, John C. Justice, and Justice Oil Co., owners and operators of the Huber #1, located in the Northeast Quarter of Section 2, Township 14 South, Range 33 East, N.M.P.M., Lea County, New Mexico, herein file their objection to the application filed by Tahoe Energy, Inc. of Midland, Texas to drill an injection well located in Section 2, Township 14 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

To permit drilling of said injection well will cause serious impairment and damage to the #1 Huber - State.

Yours truly,



Robert L. Love

RLL/kz

cc: Mr. Kenneth A. Freeman, President
Tahoe Energy, Inc.
3909 W. Industrial Ave.
Midland, TX 79703

**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. 10311

APPLICATION OF TAHOE ENERGY, INC.
FOR SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

RECEIVED

PRE-HEARING STATEMENT OIL CONSERVATION DIVISION

This prehearing statement is submitted by Campbell & Black, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Tahoe Energy, Inc. _____
3909 West Industrial Avenue _____
Midland, Texas 79703 _____
Attn: Ken Freeman _____
(915) 697-4173 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell & Black, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

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

Tahoe Energy, Inc. applicant in the above-captioned case seeks authority to dispose of produced salt water into the Cisco formation of the Saunders-Permo Upper Pennsylvania Pool, in the open hole interval from approximately 10,077 feet to 10,165 feet in its Red Dog Well No. 1 located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 2, Township 14 South, Range 33 East.

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.)

PROPOSED EVIDENCE

APPLICANT

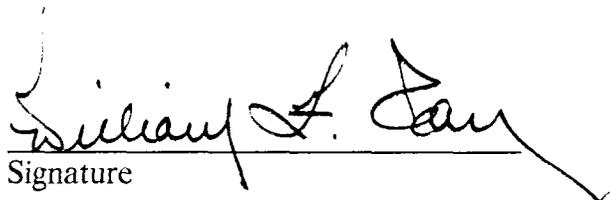
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Ken Freeman, Petroleum Engineer	15 Min.	Approximately 2

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 22, 1991

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10311
ORDER NO. R-9510

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office
Robert Love