

OIL CONSERVATION DIVISION  
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KELLAHIN, KELLAHIN AND AUBREY

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W. THOMAS KELLAHIN\*  
KAREN AUBREY†

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW  
†ALSO ADMITTED IN ARIZONA

SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN (RETIRED 1991)

June 3, 1992

New Mexico Oil Conservation Division  
310 Old Santa Fe Trail, Room 218  
Santa Fe, New Mexico 87501

**VIA FACSIMILE**  
(505) 827-5741

10496

Attn: Ms. Florene Davidson

Re: NMOCD Case No. 10455  
Order R-9659  
Application of Southland Royalty  
Company for Downhole Commingling  
and Other Relief for its Aztec #700  
Well, Section 14, T28N, R11W  
San Juan County, New Mexico

Dear Ms. Davidson:

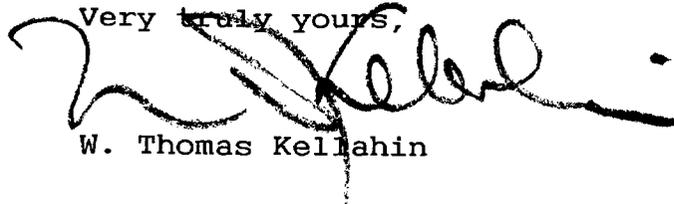
I wish to confirm my request this morning on behalf of Southland Royalty Company to have the referenced application put back on the Examiner's docket now scheduled for June 25, 1992.

Please consider this letter our written request to either reopen the existing case or in the alternative to docket a new case on this same application.

The original case, No. 10455, was voluntarily dismissed without prejudice at the request of the applicant. We now desire to present this case.

Please let me know today if the Division prefers for me to file a "new" case or if the Division desires to reopen the old case. I will then file the appropriate application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl/1trt603.330

cc: Mr. Alan Alexander  
(Meridian-Farmington)

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

**IN THE MATTER OF THE APPLICATION OF  
SOUTHLAND ROYALTY COMPANY FOR AN  
UNORTHODOX GAS WELL LOCATION,  
DOWNHOLE COMMINGLING, AND TO AMEND  
DIVISION ADMINISTRATIVE ORDER NO. NWU-80  
SAN JUAN COUNTY, NEW MEXICO**

**CASE 100496**

**WAIVER OF OBJECTION**

Comes now Chaparral Oil & Gas Co., of Farmington, New Mexico, an offset operator to the subject spacing unit, acknowledges receipt of a copy of the application in this case including notice of the hearing set for June 25, 1992 and hereby waives an objection to the granting of this application by the New Mexico Oil Conservation Division.

Chaparral Oil & Gas Co.

By *Jerry Sandel*  
Jerry Sandel, President

Dated: June 24, 1992

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION <i>McArdle</i> EXHIBIT NO. _____ CASE NO. <u>100496</u>
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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. 10496

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR AN UNORTHODOX GAS WELL  
LOCATION, DOWNHOLE COMMINGLING, AND  
TO AMEND DIVISION ADMINISTRATIVE  
ORDER NO. NWU-80, SAN JUAN  
COUNTY, NEW MEXICO

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JUN 19 1992

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by SOUTHLAND  
ROYALTY COMPANY as required by the Oil Conservation  
Division.

APPEARANCE OF PARTIES

APPLICANT

SOUTHLAND ROYALTY CO.  
P.O. Box 4289  
Farmington, NM 87499  
ATTN: Alan Alexander

ATTORNEY

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

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

Pre-Hearing Statement  
Case No. 10496  
Page 2

**STATEMENT OF CASE**

APPLICANT

Applicant seeks approval to commingle gas production from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Aztec Well No. 700 to be drilled at an unorthodox well location for both producing horizons, 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico. The S/2 of said Section 14 forming a standard 320-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-80, dated May 20, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NW/4 and N/2 SW/4 of said Section 14 is to be amended to show that the proposed Aztec Well No. 700 is to replace the existing Aztec Well No. 3 located in Unit E as the Unit's only producing well.

OPPOSITION OR OTHER PARTY

N/A

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Scott Daves Reservoir Engineer	15 Min.	2 Exhibits
Kaye Stewart-Hicks Geologist	15 Min.	2 Exhibits
Alan Alexander Landman	10 Min.	1 Exhibit
Eric Bauer Drilling Engineer	10 Min.	2 Exhibits

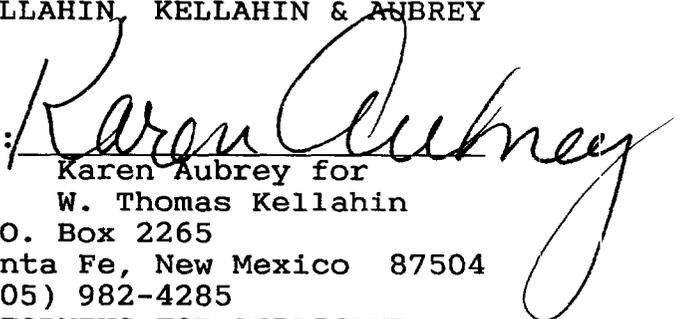
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING, IF ANY		

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN, KELLAHIN & AUBREY

By: 

Karen Aubrey for  
W. Thomas Kellahin

P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR APPLICANT