

Called in by Bill Carr.
5/24/85

June 19, 1985

Memo

From

FLORENE DAVIDSON

Staff Specialist

To

Benson-Martin-Greer
Corporation

Compulsory Pooling

Surface to base of
Manco

NE 1/4 Sec. 29-25N-1W

Rio Arriba County

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
LOURDES A. MARTINEZ

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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 31, 1985

RECEIVED

MAY 6 1985

HAND DELIVERED

OIL CONSERVATION DIVISION

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8636

RE: Application of Benson-Montin-Greer Drilling Corp. for
Compulsory Pooling and an Unorthodox Well Location,
Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Benson-Montin-Greer Drilling Corp. in the above-referenced case. Please place on the docket for the June 19, 1985 Examiner hearings.

Very truly yours,


William F. Carr

WFC/ba
enclosures

cc: Tom Kellahin, Esq.
Mountain States Natural Gas Corp.
Albert Greer

CAMPBELL & BLACK, P.A.

LAWYERS

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June 7, 1985

HAND DELIVERED

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

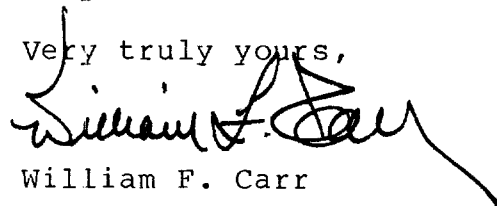
RECEIVED
JUN 7 1985
OIL CONSERVATION DIVISION
Call 5636

RE: Application of Benson-Montin-Greer Drilling Corp. for
Compulsory Pooling, an Unorthodox Well Location and a
~~Nonstandard Spacing or Proration Unit~~, Rio Arriba County,
New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Amended Application of
Benson-Montin-Greer Drilling Corp. in the above-referenced case.
Please place on the docket for the July 2, 1985 Examiner hearing.

Very truly yours,


William F. Carr

WFC/ba
Enclosures

cc: Albert Greer
Mountain States Natural Gas Corp.
c/o W. Thomas Kellahin, Esq.

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June 11, 1985

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JUN 11 1985

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OIL CONSERVATION DIVISION

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501


File 8636

RE: Application of Benson-Montin-Greer Drilling Corp. for
Compulsory Pooling and an Unorthodox Well Location,
Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Amended Application of
Benson-Montin-Greer Drilling Corp. in the above-referenced case.
It is our understanding that this matter has been set for hearing
on July 2, 1985.

Very truly yours,


William F. Carr

WFC/ba
enclosures

cc: Albert Greer
W. Thomas Kellahin, Esq.

NMOC'D

M.S.

BENSON-MONTIN-GREER DRILLING CORP.

221 PETROLEUM CENTER BUILDING, FARMINGTON, NM. 87401 505-325-8874

August 15, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mountain States Natural Gas
P.O. Box 35426
Tulsa, OK 74135

Attention: Mr. Albert J. Blair

Case 8636

Re: CANADA OJITOS UNIT B-29
SECTION 29, T-25N, R-1W
RIO ARriba COUNTY, NEW MEXICO:
OIL CONSERVATION DIVISION FOR
COMPULSORY POOLING: ORDER R-7999

Gentlemen:

We are sending you at this time a copy of the Oil Conservation Division of the New Mexico Energy & Minerals Department Order No. R-7999, covering compulsory pooling and unorthodox well location in which you have an interest.

All working interest owners have been furnished a cost estimate as identified by AFE number 1655 and all have agreed to participate except you. We are sending you now another copy of the AFE.

We call to your attention paragraph 4 of the Order in which you are allowed 30 days from the receipt of this letter to pay your share of the subject well cost and avoid the penalty which will apply if your share of costs is taken out of production.

Further we request that you either call me - or in the alternative, answer one of my calls to you - to discuss costs with particular reference to income tax impacts. Affirmative and cooperative participation on your part with the other owners can significantly reduce the otherwise income tax impact which will accrue

...

BENSON-MONTIN-GREER DRILLING CORP.

Mountain States Natural Gas
Attention: Mr. Albert J. Blair

Page No. 2
August 15, 1985

to your interest. I would like to visit with you about these matters.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:


Albert R. Greer, President

ARG/tlp

Enclosures

cc: Mr. W. Thomas Kellahin
Statutory Agent for Mountain States Natural Gas
P.O. Box 2265
Santa Fe, NM 87504-2265

cc: State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

BENSON-MONTIN-GREER DRILLING CORP.

AUTHORITY FOR EXPENDITURE

AFE #1655

DATE May 15, 1985

Prospect Canada Ojitos Unit Well Canada Ojitos Unit #28 (B-29)

Section 29 Township 25N Range 1W County Rio Arriba State New Mexico

Producing Formation or Formations Niobrara Projected Depth 7700'

INTANGIBLE COSTS

Surveying: Road and Location	\$ 2,500
Surveying: Archaeological	1,000
Roads and Location - Construction	8,500
Drilling: Type of Bid (Turnkey)	160,000
Day Work - Completion Rig - Day Work 20 days @ \$1,250/day	25,000
Transportation and Hauling Other Than Rig	7,500
Mud and Water - Included in Turnkey	
Equip. Rentals	2,500
Bits - Included in Turnkey	
Logging	17,500
Cement and Cementing	25,000
Cementing Equipment - Including Stage Collars	6,500
Perforating, Acidizing and Fracing	80,000
Engineering & Supervision	7,500
Labor	10,000
Overhead	3,500

Contingencies 25,000

TOTAL INTANGIBLE COSTS \$ 382,000

TANGIBLE COSTS

Well Equipment	
Casing and Tubing:	
500' 9-5/8" K-55 36#	\$ 5,500
7700' 5-1/2" N-80 17#	60,000
7500' 2-3/8" EUE tubing, internally plastic coated	30,000
Gas Lift Subsurface Equipment	1,000
Wellhead and Equipment - Tubinghead, Valves, etc.	10,000
Well Flow Lines	2,500
Noncontrollable Well Equipment	1,500
Installation Costs	3,000

Lease Equipment	
Tank Battery - Single Tank (Surge Tank with Heater)	7,000
Separators and Heaters (Including Part of Gas Lift Equipment)	40,000
Measuring & Monitoring Equipment	2,500
Other Controllable Equipment	5,000
Noncontrollable Equipment	2,500
Installation Costs	6,000

Contingencies 5,000

TOTAL TANGIBLE COSTS \$ 181,500

TOTAL DRILLING, COMPLETION AND EQUIPMENT COSTS \$ 563,500

For parties to the 1983 Pooling Agreement, these costs are part of the Initial Development Costs; and will be borne according to ownership as defined under Article 2.2 and Exhibit C, Part IV thereof, for that portion of unit costs allocated to the pooled lands.

For parties whose interests are not committed to the 1983 Pooling Agreement, costs will be as defined by the Unit Operating Agreement.

Approved: _____

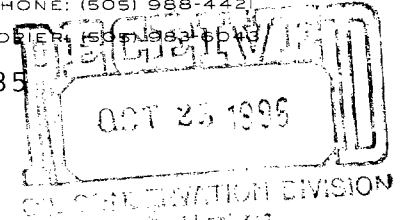
Date: _____

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TELEPHONE: (505) 988-4442
TELECOPIER: (505) 988-6648

October 22, 1985



Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of Energy
and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 8636: Application of Benson-Montin-Greer
Drilling Corp. for Compulsory Pooling and an
Unorthodox Well Location, Rio Arriba County,
New Mexico.

Dear Mr. Stamets:

On August 8, 1985, the Division entered Order No. R-7999 granting the application of Benson-Montin-Greer Drilling Corp. in the above-referenced case. That order provided for a \$1,517.00 per month charge for supervision while drilling, and \$273.00 per month while producing the well to be drilled on the pooled acreage. These figures are the 1980 rates presented for the Canada Ojitos Unit in Benson-Montin-Greer Exhibit 1, Section D. If you will check that exhibit, you will find that these rates have escalated to an effective rate on April 1, 1985 of \$2,200.00 per month while drilling, and \$395.90 while producing the well.

Benson-Montin-Greer requests that the Division enter a nunc pro tunc order in this case amending the overhead and administrative charges contained in Order Paragraph 9 of Order No. R-7999 to reflect these current overhead rates.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC/cv

cc: Mr. Albert R. Greer, President
Benson-Montin-Greer Drilling Corp.
221 Petroleum Center Building
Farmington, New Mexico 87401

*See page 2 of Part D
of the exhibit and
page 13 of the
transcript.*

M.S. 11/5/85



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

August 9, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 8636
ORDER NO. R-7999

Applicant:

Benson-Montin-Greer Drilling Corp.

Dear Sir:

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

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

Nov. 5, 1985

Memo

From

MICHAEL STOGNER

Petroleum Engineer

To R.L.S.

Per the attached letter from
Bill Carr. I have reviewed the
transcripts and exhibits and a
mistake on our part was made.
A Name Pro Turn Order is being
processed and should cross your
desk today or tomorrow.

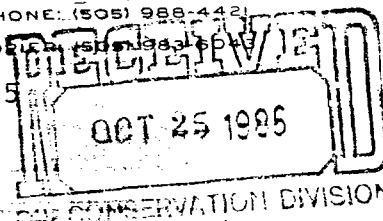
M.S.

CAMPBELL

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October 22, 1985



Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of Energy
and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 8636: Application of Benson-Montin-Greer
Drilling Corp. for Compulsory Pooling and an
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Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC/cv

cc: Mr. Albert R. Greer, President
Benson-Montin-Greer Drilling Corp.
221 Petroleum Center Building
Farmington, New Mexico 87401

ILLEGIBLE



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

November 3, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 8636
ORDER NO. R-7999-A

Applicant:

Benson-Montin-Greer Drilling
Corp.

Dear Sir:

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

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
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Aztec OCD x

Other _____
