

PADILLA & SNYDER

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October 23, 1985

HAND DELIVERY

Michael Stogner, Hearing Examiner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Oil Conservation Division Case No. 8715

Dear Mr. Stogner:

Enclosed please find a proposed Order for entry in the above-referenced case.

Please let me know if you have any questions concerning this Order or if I can provide additional information to you.

Very truly yours,

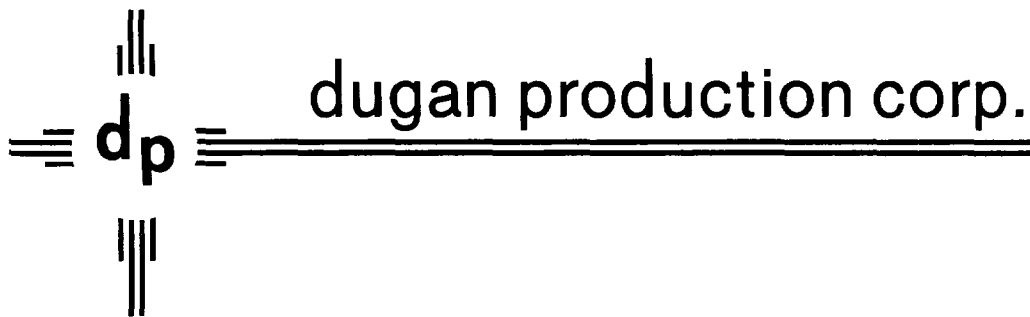


Ernest L. Padilla

ELP:njp

Enclosure

cc: w/enclosure
Benson-Montin-Greer Drilling Corp.
Robert Buetner, Esquire
William F. Carr, Esquire
Daniel Nutter
Dugan Production Company



September 24, 1985

New Mexico Oil Conservation Division
Attn: Mr. Richard L. Stamets
P O Box 2088
Santa Fe, NM 87501

RE: Application by Benson-Montin-Greer Drilling Corp.
For Unorthodox Well Locations in
NW/4 of Section 6, T25N, R1W and SW/4 of Section 31, T26N, R1W, NMPM
Rio Arriba County, New Mexico
And Amendment to West Puerto Chiquito-Mancos Pool Rules
NMOCD Case #8695, 8714 and 8715

Dear Mr. Stamets:

Dugan Production, as an operator; holder of substantial lease hold interest in the subject area; and as a representative for Jerome P. McHugh, also an operator and holder of substantial lease hold interest in this area, have no objection to the applications as submitted.

We recognize the inherent problems of developing adjacent acreage on dissimilar spacings, as is the case for the West Puerto Chiquito-Mancos Oil Pool and the Gavilan Mancos Oil Pool. Dugan Production recognizes the need for an amendment to the West Puerto Chiquito Pool Rules in order to maintain the integrity of long-established unit operations. It is our desire to see the commission allow development of contiguous acreage in a manner that provides for the protection of correlative rights both in the West Puerto Chiquito and Gavilan Mancos Oil Pools.

Respectfully,

John D. Roe
Petroleum Engineer

JDR/cg

cc: Jerome P. McHugh
Al Greer