

June 23, 1987

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

ATTENTION: MICHAEL STOGNER

Gentlemen:

Case 9162, application of Amerind for compulsory pooling and a non-standard spacing unit is set for the examiner hearing on July 1, 1987. I represent Rio Pecos Corporation in that case. Two cases involving Marathon Oil Company and J. A. Davidson are set for the same day, for which I do not have the case numbers assigned. One is the objection filed to the well costs in SE/4 SE/4 Section 14-16-88. The other involves surface co-mingling of production from the same well with an offset well in NE/4 NE/4 Section 23-16-38.

I have long been scheduled to be in Alaska fishing from June 28 until July 14. I cannot be in Santa Fe on July 1.

I sought from William F. Carr his client's concurrence in case 9162. It was denied on the basis of a lease expiration on July 16. Rio Pecos Corporation does not oppose the force pooling case, only the non-standard unit sought. I have not at this writing contacted Mr. Kellahin, who represents Marathon, but will do so by telephone on Wednesday, June 24. It is my opinion that no prejudice to any party will result by a continuance. In none of the cases has a previous delay been sought.

I respectfully request that each of the above cases be continued until the Examiner hearings on July 15. Please advise promptly of the Division's ruling so that my clients can make other arrangements if the continuances are denied. Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:bh

cc: Rio Pecos Corporation  
J. A. Davidson  
*William F. Carr*

Chad Dickerson

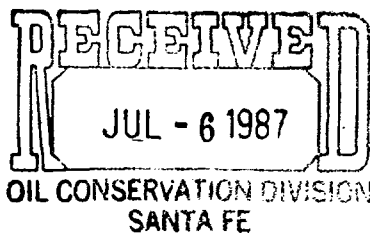
John Fisk

David R. Vandiver

Rebecca Reese Dickerson

Seventh & Mahone / Suite E / Artesia, New Mexico 88210 / (505) 746-9841

DICKERSON, FISK & VANDIVER  
ATTORNEYS AT LAW



PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

July 2, 1987

Mr. David Catanach  
Hearing Examiner  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Application of Amerind Oil Company; Case No. 9162

Dear Mr. Catanach:

Enclosed please find a supplement to Exhibit 12 of Rio Pecos Corporation. This supplement is a protest to the application of the First Interstate Bank of Oklahoma, N.A., Trustee for the Grisso Family Trust.

During the hearing, Mr. Scott Wilson testified that this document was being sent to my offices. We request that it be added to the contents of Exhibit 12.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernest L. Padilla".

Ernest L. Padilla

ELP/ys

Enclosure as stated

c w/enclosure: William F. Carr, Esquire  
Rio Pecos Corporation

RIO PECOS CORPORATION

110 WEST LOUISIANA SUITE 400

MIDLAND, TEXAS 79701

(915) 687-0127

RECEIVED

JUN 24 1987

GEOLOGY

TRUST OIL/GAS

MARK D. WILSON

TODD M. WILSON

HEATHER WILSON ECHOLS

LAND  
SCOTT E. WILSON  
ROBERT ELLIOTT

June 23, 1987

TO: Various Royalty and Leasehold Owners in the S/2 Section 28, T-16-S, R-37-E, NMPM,  
Lea County, New Mexico (Addressee List Attached)

RE: Amerind Oil Company B. E. Shipp "28" No. 1 Well  
SW/4 SE/4 of Section 28, T-16-S, R-37-E, NMPM  
Lea County, New Mexico  
(See Attached Docket and Plat)

Gentlemen:

Amerind Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling and a non-standard 80-acre oil spacing and proration unit to be dedicated to the captioned well. The case (Case No. 9162) is scheduled for an Examiner Hearing in Santa Fe on July 1, 1987.

Amerind is the Operator of two producing Strawn wells, the Shipp No. 1 Well in the NW/4 NE/4 and the Meyers No. 1 Well in the NE/4 NW/4 of Section 33, which were completed in December, 1985, and February, 1986, respectively, and which we feel are draining the oil and gas reserves from the Strawn pool that extends into the S/2 of Section 28. We feel that the Strawn pool which Amerind is draining lies in approximately equal proportions beneath the S/2 of Section 28 and the N/2 of Section 33 which warrants the drilling of two wells, one in the SW/4 SE/4 and one in the SE/4 SW/4 of Section 28, offsetting Amerind's two wells.

Amerind's proposed non-standard proration unit would take away the right of the mineral and leasehold owners in the S/2 of Section 28 to drill and share in the production from a second well that we feel can and should be drilled in the SE/4 SW/4 of Section 28. If the mineral and leasehold owners in the S/2 of Section 28 are not allowed to drill a second well, then they will lose their right to recover their just and equitable share of the recoverable reserves in the Strawn pool. Amerind's delay in drilling the offsetting wells has already resulted in the mineral and leasehold owners losing a portion of their share of the recoverable reserves in the Strawn pool. Why should the royalty and leasehold owners in the N/2 of Section 33 be allowed to drain the Strawn pool with two wells versus only one well for the royalty and leasehold owners in the S/2 of Section 28?

Also, we feel that a loss of ultimate recoverable reserves will occur resulting in underground waste if a second well is not drilled in the SE/4 SW/4 of Section 28.

Royalty and Leasehold Owners  
S/2 Sec. 28, T16S, R37E, Lea County, N.M.  
Page -2-  
June 23, 1987

As evidence of your desire to protest Amerind's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28 in Case No. 9162, please sign and return one copy of this letter to me in the enclosed self-addressed, stamped envelope immediately!

.Very truly yours,

RIO PECOS CORPORATION

By: Scott E. Wilson  
Scott E. Wilson, Vice President

SEW/sh

Enc.

I/we hereby protest Amerind Oil Company's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28, T-16-S, R-37-E, NMPM, Lea County, New Mexico.

First Interstate Bank of Oklahoma, N.A.,  
Trustee U/A dated 12/8/66 for the Grisso  
Family Trust (Print Name)

BY: Albert J. Bezdicsek (Signature)  
Albert J. Bezdicsek, Vice-President & Trust Officer  
June 30, 1987 (Date)

PADILLA & SNYDER

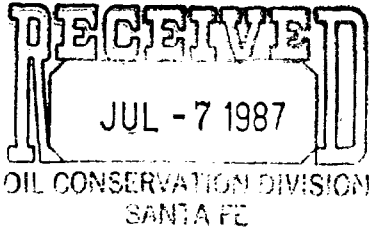
ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577



July 6, 1987

Mr. David Catanach  
Hearing Examiner  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Application of Amerind Oil Company; Case No. 9162

Dear Mr. Catanach:

Enclosed please find copies of two signature pages of Florine Kemp Hager and the First National Bank of Lubbock, Trustee which relate to the Rio Pecos Corporation's Exhibit 12.

We request that these protest letters be added to the Exhibit 12.

Thank you.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. L. Padilla".

Ernest L. Padilla

ELP/ys

Enclosure as stated

c w/enclosure: William F. Carr, Esquire  
Rio Pecos Corporation

Royalty and Leasehold Owners  
S/2 Sec. 28, T16S, R37E, Lea County, N.M.  
Page -2-  
June 23, 1987

As evidence of your desire to protest Amerind's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28 in Case No. 9162, please sign and return one copy of this letter to me in the enclosed self-addressed, stamped envelope immediately!

Very truly yours,

RIO PECOS CORPORATION

By: Scott E. Wilson

Scott E. Wilson, Vice President

SEW/sh

Enc.

I/we hereby protest Amerind Oil Company's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28, T-16-S, R-37-E, NMPM, Lea County, New Mexico.

FLORINE KEMP HAGER

(Print Name)

✓ Florine Hager

(Signature)

June 26, 1987

(Date)

Florine Kemp Hager

Royalty and Leasehold Owners  
S/2 Sec. 28, T16S, R37E, Lea County, N.M.  
Page -2-  
June 23, 1987

As evidence of your desire to protest Amerind's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28 in Case No. 9162, please sign and return one copy of this letter to me in the enclosed self-addressed, stamped envelope immediately!

Very truly yours,

RIO PECOS CORPORATION

By: Scott E. Wilson  
Scott E. Wilson, Vice President

SEW/sh

Enc.

I/we hereby protest Amerind Oil Company's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28, T-16-S, R-37-E, NMPM, Lea County, New Mexico:

FIRST NATIONAL BANK AT LUBBOCK, Successor Trustee (Print Name)  
J. E. SIMMONS TRUST A-JSS  
J. E. SIMMONS TRUST B-MJH (Signature)  
BEULAH H. SIMMONS TRUST A-JSS  
BEULAH H. SIMMONS TRUST B-MJH (Date)

BY Steve Exter  
Steve Exter, Vice President and Trust Officer

June 30, 1987



R. E. Irelan  
Division Manager  
Production Department  
Hobbs Division  
North American Production

Conoco Inc.  
P.O. Box 460  
726 East Michigan  
Hobbs, NM 88240  
(505) 393-4141

RECEIVED  
JUN 29 1987

Case 9162  
DRC  
6-29-87

June 26, 1987

Amerind Oil Company  
500 Wilco Building  
Midland, TX 79701  
Attention: Mr. Robert C. Leibrock

Amerind Oil Company's Proposed B.E. Shipp "28" No. 1, SW/4 SE/4 of  
Section 28, T-16S, R-37E, Lea County, New Mexico  
- Application for Compulsory Pooling and Non-Standard Proration Unit

Gentlemen:

In response to the captioned application scheduled for Hearing in Santa Fe on July 1, 1987, Conoco maintains the following position. Although Conoco supports the drilling of the proposed well, we oppose the suggested non-standard 80-acre oil spacing and proration unit. It is Conoco's feeling that this non-standard proration unit does not protect our correlative rights in the S/2 of Section 28, primarily because it would take away a second viable Strawn location that could be drilled in the SE/4 SW/4 of Section 28. The loss of this second location would deprive Conoco of our equitable share of recoverable reserve in the Strawn pool. Conoco presently owns a 9.375% working interest in the S/2 of Section 28.

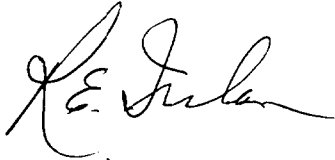
Also, we feel that this loss of ultimate recoverable reserves would result in underground waste, not reflective of a prudent development plan.

It is Conoco's understanding that Rio Pecos Corporation (a 20% working interest owner) will attend the Hearing to present testimony in opposition to Amerind's proposal. This letter serves as evidence that Conoco hereby protests Amerind Oil Company's application for a non-standard oil spacing and proration unit covering the SW/4 SE/4 and the SE/4 SW/4 of Section 28, T-16S, R-37E, Lea County, New Mexico.



Page 2

Very truly yours,



SRS:mgt

cc: Rio Pecos Corporation  
110 West Louisiana, Suite 460  
Midland, TX 79701  
Attention: Mr. Scott E. Wilson

Bill Seltzer  
507 Petroleum Building  
Midland, TX 79701

New Mexico Oil Conservation Division  
P. O. Box 1980  
Hobbs, NM 88240  
Attention: Mr. Jerry Sexton

✓ New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088  
Attention: Mr. David R. Catanach

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  
JOHN H. BEMIS  
MARTE D. LIGHTSTONE

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

June 26, 1987

HAND DELIVERED

Michael Stogner, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87503

RECEIVED  
JUN 26 1987  
OIL CONSERVATION DIVISION

Re: Case 9162: Application of Amerind Oil Company for  
Compulsory Pooling and a Non-Standard Oil Proration  
Unit, Lea County, New Mexico.

Dear Mr. Stogner:

This letter is in response to the request of Chad Dickerson on behalf of Rio Pecos Corporation for a continuance of the above-referenced case now scheduled for hearing before a Division Examiner on July 1, 1987.

Amerind Oil Company, applicant in this matter, vigorously opposes any continuance of this case, for it has a lease that will be dedicated to the proposed well which will expire on July 16, 1987. A continuance will, therefore, be dispositive of the case and we believe, as the applicant, that we have a right to go forward. Notice of the hearing was provided to Rio Pecos Corporation by certified mail in accordance with Oil Conservation Division rules and regulations.

We ordinarily would be willing to accommodate Mr. Dickerson's vacation schedule, but in view of the lease expiration referenced above, it simply is impossible for us to do so.

We do believe that a lease expiration in which correlative rights can be impaired should weigh more heavily than vacation plans in determining whether or not a case should be continued.

Your attention to this request is appreciated.

Very truly yours,

  
WILLIAM F. CARR

cc: Bill Seltzer  
Robert C. Liebrock

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

June 18, 1987

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JUN 19 1987

OIL CONSERVATION DIVISION

HAND DELIVERED

Florene Davidson  
OCD Staff Specialist  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87503

Case 9/62

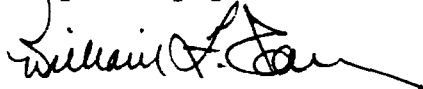
Re: In the Matter of the Application of Amerind Oil Company  
for Compulsory Pooling and a Non-Standard Spacing Unit,  
Lea County, New Mexico.

Dear Florene:

Enclosed for filing please find an Amended Application in the  
above-referenced case which is scheduled for an examiner hearing  
on July 1, 1987. This Amended Application changes a typographi-  
cal error in the description in paragraph No. 3.

Also for filing in this case is Exhibit A which is attached to  
the Amended Application.

Very truly yours,



WILLIAM F. CARR

WFC/ab  
Enclosures

cc: Robert C. Liebrock  
Bill Seltzer