

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



November 10, 1987

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GOVERNOR

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Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9168
ORDER NO. R-8282-D

Applicant:

~~J. (James) A. Davidson~~

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Chad Dickerson

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. 9168
Order No. R-8282-B

APPLICATION OF J.(JAMES) A.
DAVIDSON FOR A DETERMINATION
OF REASONABLE WELL COSTS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 12, 1987 and on November 4, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of November, 1987, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Order No. R-8282, entered in Case No. 8960 and dated August 21, 1986 authorized Marathon Oil Company to pool all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 (Unit P) of Section 14, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico, forming a standard 40-acre oil spacing and proration unit to be dedicated to their Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line of said Section 14.

(3) Case No. 8960 came on for hearing DeNovo before the Oil Conservation Commission on October 23, 1986. Order No. R-8282-A was therein issued affirming said Order No. R-8282.

(4) The applicant in the immediate case, J.(James) A. Davidson, an interested owner in said well, now seeks an order pursuant to the provisions set forth in said Order No. R-8282, as amended, ascertaining the reasonableness of actual well costs for the subject well.

(5) At the time of the August 12, 1987 hearing, Marathon Oil Company presented evidence concerning the actual cost of the subject well, thereby laying a foundation to this case. The parties thereupon agreed to continue this case to a later date so that both parties could re-examine these figures and prepare their arguments accordingly.

(6) Prior to the November 4, 1987 hearing the applicant requested that this case be dismissed.

(7) The applicant's request for dismissal should be granted.

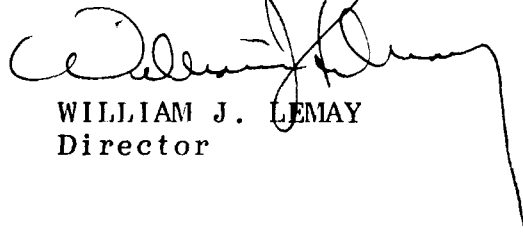
IT IS THEREFORE ORDERED THAT:

Case No. 9168 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director