

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

WILLIAM R. HUMPHRIES  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

RECEIVED

OCT 21 1988

MEMORANDUM

OIL CONSERVATION DIVISION

TO: BILL LEMAY AND ERLING BROSTUEN

FROM: W.R. HUMPHRIES *WRH 10/19/88*

RE: CASE #9428 - ORDER # R-6446-D - THE BRAVO DOME ORDER

In reviewing the second draft, I'm in agreement with the majority of the draft. A couple of comments that I would make are:

#1 - I believe we would probably be better off holding a public hearing at least every two years instead of every 4 years. It seems to me to be an exceptionally long period of time and I doubt that it results in any better development efforts on the part of Amoco.

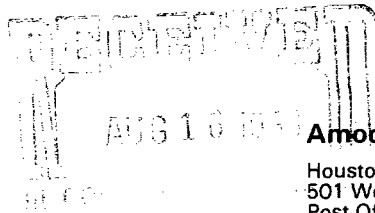
#2 - We should continue to carefully monitor the effects of both the unitized royalty owners and those such as Mr. Libby who are not in the unit to assure protection of correlative rights.

#3 - In finding #12, the measurement unit of the pressure base should be described. Although it's probably common knowledge to industry people, it isn't to me. (15.025 what? Atmospheres? Pounds per square inch?) *pg 1*

#4 - Finding #16 states the unit operator does not have a specific development plan for the unit, gives rise to some concern as to whether the large unit makes sense or if we have a noncompetitive arbitrary advantage for one company. Given the ambiguities of oil prices, it may be doubtful that the entire unit will ever be developed and/or produced. By that fact, Amoco could be preventing development and creating waste by lack of competition. I also wonder if, at some point in time, the balance of non-developed acreage should be released from the unit and new units be created. I see development advantages and disadvantages to all the royalty owners by the exceptionally large acreage involved. As I understand it, the State Land Office and the state of New Mexico were strong proponents for the large Bravo Dome unit and that logic may well be valid today. However, I personally have doubts and nothing in the presentation made an impression on me that any advantages had been gained for the state or the royalty owners by the large unit. That may well fall

on some future commission to decide, however, I think it's a legitimate and potentially crucial question that has to be answered, but not at this point.

#5 - The testimony that Amoco presented that didn't find its way to the findings or the order alleged their road construction was somehow an advantage to the counties in the area. This is a statement that caused some question in my mind. Most counties neither need nor want additional roads, especially when the burden of maintenance falls upon the counties, which are already financially stressed. Quite frequently, the generosity that was described by Amoco is another burden created for the county and the county taxpayers that remains throughout and beyond the life of the project. Many times the companies are all too anxious to build the road, have it designated a county road and create the burden of maintenance for the county, not the company. It's my opinion that unless the county so desires, the company should build, maintain regularly, close and rehabilitate roads 100% at their own expense.



Amoco Production Company

Houston Region  
501 WestLake Park Boulevard  
Post Office Box 3092  
Houston, Texas 77253

Daniel R. Currens  
Attorney

August 12, 1988

Re: Bravo Dome Area  
Cored Wells

W. Perry Pearce, Esq.  
Montgomery & Andrews  
Attorneys at Law  
P. O. Box 2307  
Santa Fe, New Mexico 87504-2307

Dear Perry:

Attached is a tabulation of the wells that were cored in  
Bravo Dome per your request at the July hearing before the  
OCC in Case No. 9428.

Very truly yours,

*m.s.*

D. R. Currens

DRC:ly  
Attachment

cc: / Oil Conservation Division, w/attch.  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

W. F. Carr, Esq., w/attch.  
Campbell & Black  
Attorneys at Law  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

TABLE OF BRAVO DOME AREA  
CORED WELLS

1.	1832	121G	27.	2034	111H
2.	1834	161A	28.	2034	161G
3.	1835	101K	29.	2034	361O
4.	1930	361G	30.	2034	362P
5.	1931	351F	31.	2034	3630
6.	1932	041D	32.	2035	151I
7.	1932	181G	33.	2129	351G
8.	1932	241G	34.	2131	021A
9.	1932	341G	35.	2133	341K
10.	1933	031M	36.	2230	231J
11.	1933	032L	37.	2232	121G
12.	1933	033M	38.	2232	281J
13.	1933	281J	39.	2232	361E
14.	1934	061G	40.	2233	361G
15.	1934	231K	41.	2234	361P
16.	1934	262G	42.	2333	361J
17.	1934	311G	43.	2431	271K
18.	1935	181G	44.	2433	361G
19.	2030	181H			
20.	2031	181K			
21.	2031	231D			
22.	2031	232E			
23.	2032	041K			
24.	2032	171K			
25.	2033	341K			
26.	2034	081F			