

October 17, 1995

KELLAHIN AND KELLAHIN  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504


**ATTN: Tom Kellahin**

**RE: CASE NOS. 11353 and 10881  
ORDER O. R-10050-A**

Dear Sir:

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

Sincerely,

  
Sally E. Martinez  
Administrative Secretary

cc: BLM - Carlsbad  
Bill Carr



**Marathon  
Oil Company**

OIL CONSERVATION DIVISION  
RECEIVED

95 SEP 22 AM 8 52

P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

**September 19, 1995**

**Oil Conservation Division  
Energy, Minerals, and Natural Resources Department  
2040 South Pacheco  
Santa Fe, New Mexico 87505**

**RE: Oil Conservation Commission Hearing  
Case Nos. 10869 and 10881  
September 21, 1995**

**Dear Sirs,**

**Marathon Oil Company operates twenty eight active oil and gas wells in the South Dagger Draw Upper Pennsylvanian Associated Pool.**

**Marathon Oil Company supports a continuation of the current gas-oil limitation for the South Dagger Draw Upper Pennsylvanian Associated Pool of 7,000 cubic feet of gas per barrel of oil. We believe maintaining the current GOR limitation will provide the opportunity for operators to develop reserves within the pool without unnecessarily restricting gas production.**

**Sincerely yours,**

A handwritten signature in cursive script, appearing to read 'R. A. Biernbaum'.

**R. A. Biernbaum  
Project Manager  
Indian Basin Asset Team**

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
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EXECUTIVE VICE PRESIDENT  
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SECRETARY  
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TREASURER

September 19, 1995

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Case Nos. 10869 and 10881 Being Reopened to Permit Operators in the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico to Appear and Present Evidence Regarding the Continuation or Adjustment of the 7,000 to 1 Gas/Oil Ratio Limitation Established by the Division for this Pool

Dear Mr. LeMay:

Yates Petroleum Corporation appeared and presented testimony at the December 2, 1993 Examiner hearing in the above-referenced cases which resulted in special rules and regulations being adopted for the South Dagger Draw-Upper Pennsylvanian Associated Pool providing for a limiting gas/oil ratio of 7,000:1 cubic feet of gas per barrel of oil. Pursuant to Order No. R-10050 which was entered in these cases, the cases have been reopened and are included on the September 21, 1995 Examiner hearing docket to provide operators in the pool an opportunity to appear and present testimony regarding the continuance or adjustment of the limiting gas/oil ratio for this pool of 7,000:1.

Yates Petroleum Corporation is a major operator in the South Dagger Draw-Upper Pennsylvanian Associated Pool. Based on our operations in this pool under a 7,000:1 gas/oil ratio, it is our experience that adoption of this gas/oil ratio on a permanent basis will not adversely affect this reservoir by reducing the ultimate recovery of oil and gas therefrom and that a permanent gas/oil ratio of 7,000:1 will enable operators in this pool to produce the oil and gas therefrom in a manner that will protect the correlative rights of all interest owners in this pool.

Yates Petroleum Corporation supports the adoption of a 7,000:1 gas/oil ratio for the South Dagger Draw-Upper Pennsylvanian Associated Pool on a permanent basis.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson  
Land Manager

RGP/mw

xc: Mr. Bob Fant  
Mr. Bill Carr

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

June 20, 1995

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES/OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

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(505) 827-8177**

Mr. Micheal E. Stogner  
Hearing Examiner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

*Re: NMOCD Case 10869 AND Case 10881  
Reopening of Special 7000-1 GOR Limitation for  
South Dagger Draw-Upper Penn Gas Pool,  
Eddy County, New Mexico*

Dear Mr. Stogner:

On behalf of Conoco Inc. (the original applicant in Case 10881), and with the concurrence of Yates Petroleum Corporation (the original applicant in Case 10869), I am requesting that the referenced Reopening of these cases now set for June 29, 1995 be continued to the Division Examiner hearing now scheduled for September 21, 1995.

Neither Conoco nor Yates has had sufficient time to evaluate the additional data developed in this last year and to contact the other operators in the pool to determine what if any change should be made from the current 7000-1 GOR. A continuance until September 21, 1995, will allow all interested parties time to discuss this matter and prepare for hearing.

Very truly yours,

  
W. Thomas Kellahin

cc: William F. Carr, Esq.  
Attorney for Yates Petroleum Corporation  
cc: Conoco Inc.  
Attn: Jerry Hoover  
cc: Nearburg Exploration Company  
Attn: Bob Shelton  
cc: Marathon Oil Company  
Attn: Thomas C. Lowry, Esq.