

CASE 7241: HARVEY E. YATES COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO

Case No.

7241

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7241
Order No. R-6689

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of May, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

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

(2) That the applicant, Harvey E. Yates Company, seeks
approval of an unorthodox gas well location for its Austin State
18 Well No. 1 to be drilled 1980 feet from the South line and
1650 feet from the East line of Section 18, Township 14 South,
Range 36 East, NMPM, to test the Mississippian formation, Austin-
Mississippian Gas Pool, Lea County, New Mexico.

(3) That the S/2 of said Section 18 is to be dedicated to
the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration
unit.

(5) That no offset operator objected to the proposed un-
orthodox location.

-2-

Case No. 7241
Order No. R-6689

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

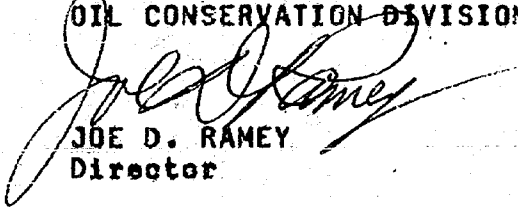
(1) That Harvey E. Yates Company is hereby authorized an unorthodox gas well location for the Mississippian formation for its Austin State 18 Well No. 1 to be located at a point 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East, NMPM, Austin-Mississippian Gas Pool, Lea County, New Mexico.

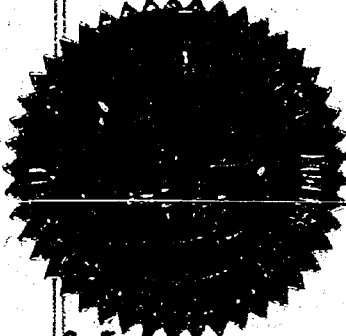
(2) That the S/2 of said Section 18 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for an unorthodox gas well
location, Lea County, New Mexico.

CASE
7241

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Robert Strand, Esq.
HARVEY E. YATES COMPANY
Roswell, New Mexico

I N D E X

GEORGE YATES

Direct Examination by Mr. Strand

Cross Examination by Mr. Stamets

RODNEY THOMPSON

Direct Examination by Mr. Strand

Cross Examination by Mr. Stamets

E X H I B I T S

Applicant Exhibit One, Plat

Applicant Exhibit Two, Structure Map

Applicant Exhibit Three, Cross Section

Applicant Exhibit Four, Structure Map

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2 MR. STAMETS: The hearing will please
3 come to order.

4 We'll call next Case 7241.

5 MR. PADILLA: Application of Harvey E.
6 Yates Company for an unorthodox gas well location, Lea County,
7 New Mexico.

8 MR. STRAND: Mr. Examiner, Robert
9 Strand, attorney from Roswell, appearing for the applicant,
10 and I have two witnesses, George Yates and Rod Thompson.

11
12 (Witnesses sworn.)

13
14 GEORGE YATES

15 being called as a witness and being duly sworn upon his oath,
16 testified as follows, to-wit:

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18 DIRECT EXAMINATION

19 BY MR. STRAND:

20 Q Please state your full name and your
21 position with the applicant, Harvey E. Yates Company.

22 A My name is George Yates. I'm Vice-
23 President of Harvey E. Yates Company, Roswell.

24 Q Do your duties as vice-president in-
25 clude the exploration portion of the applicant's business?

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A. Yes, it does.

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Q Mr. Yates, will you state the purpose of the application in Case Number 7241?

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A. Yes. We're seeking an unorthodox location for the drilling of our Austin State 18-1 Well, to be drilled at an unorthodox location 1980 from the south line, 1650 from the east line of Section 18, Township 14 South, Range 36 East, Lea County. The south half of Section 18 would be dedicated to that well.

11

12

Q Mr. Yates, will Harvey E. Yates Company be the operator of this particular well?

13

14

15

A. Yes.

Q I refer you to Exhibit Number One. Will you please describe that exhibit?

16

17

18

A. Exhibit Number One is a land plat which shows the -- the location and the acreage dedicated to the location.

19

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Q Mr. Yates, what are the objective formations for this particular well?

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A. The objective formations for the well are the Austin Mississippian formation that is productive in the area, and Penn carbonates.

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Q And you would anticipate that this would be completed as a gas well on 320-acre spacing?

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A. Yes. Yes, we do.

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Q. What will be the approximate cost of the well, both dry hole cost and completed cost?

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A. The dry hole cost will run in the range of \$675,000. Completed well will run right around a million.

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Q. Was Exhibit Number One prepared by you or under your supervision?

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A. Yes, it was.

12

13

14

MR. STRAND: I have nothing further of Mr. Yates.

15

16

17

18

CROSS EXAMINATION

BY MR. STAMETS:

19

20

Q. Mr. Yates, this area, I believe, was one of the first, or it was the first tight sands designation in the state. Has this designation stimulated your drilling program in the area?

21

22

23

24

25

A. Mr. Examiner, it certainly has. We just wish it would stimulate our 107 formations.

Since the order has been approved we've drilled one dry hole in the Austin. We are quite active and we expect other -- other operators to be active in developing anything that -- that looks economic at that 107 price.

You'll notice today that we have another

1
2 hearing that concerns a unit well. The objective of that is
3 the Austin-Mississippian.

4 So we -- we have used the 107 approval
5 to certainly influence our plans.

6 MR. STAMETS: Any other questions of
7 this witness? He may be excused.

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9 RODNEY THOMPSON

10 being called as a witness and being duly sworn upon his oath,
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14 BY MR. STRAND:

15 Q State your full name and your position
16 with Harvey E. Yates Company.

17 A My name is Rodney Thompson. I'm a
18 geologist at Harvey E. Yates Company in Midland.

19 Q Mr. Thompson, have you testified before
20 the Division in the past?

21 A Yes. Or no, I haven't.

22 Q Would you state briefly for the Examiner
23 your educational background and your work experience as a
24 geologist?

25 A Okay. I have an undergradutate degree

1
2 from Winona State University in Minnesota, Winona, Minnesota.

3 I have a Masters degree from University
4 of Houston in Houston, Texas, and I have several years of
5 experience with the oil industry.

6 Q Were those degrees in geology?

7 A Yes, they were.

8 Q Mr. Thompson, could you state just a
9 little more explicitly what your experience has been? What
10 companies and for how long?

11 A Okay, I've been with one company, that's
12 Getty Oil Company, for approximately three years, and I've
13 been an exploration geologist in the New Mexico area for all
14 that period of time.

15 Q And you have just recently joined Harvey
16 E. Yates Company, is that correct?

17 A That's correct.

18 Q Are you a member of any professional
19 societies relating to your geology background?

20 A Yes. I'm a member of the Society of
21 Economic Paleontologists and Mineralogists, the West Texas
22 Geological Society, and the AAPG, American Association of
23 Petroleum Geologists.

24 MR. STRAND: Mr. Examiner, is Mr.
25 Thompson considered qualified?

1
2 MR. STAMETS: Yes.

3 Q Mr. Thompson, are you familiar with the
4 application in Case Number 7241, which Mr. Yates has described?

5 A Yes, I am.

6 Q I refer you to what we've designated as
7 Exhibit Number Two. Would you please describe that exhibit?
8 And explain its relevance to the unorthodox location applica-
9 tion?

10 A Yes. Okay, Exhibit Number Two is a
11 structure map that's contoured on the top of the Austin pay
12 section of the Mississippian. The proposed location is --
13 will be drilled in the Austin Field, which is defined by both
14 subsurface and seismic mapping to be a structural anticline
15 at the Austin-Mississippian level trending northeast to
16 southwest and being on the upthrown side of a northeast to
17 southwest fault bonding structure on the east.

18 We believe our location is an optimum
19 location to encounter productive Austin-Mississippian carbonates.
20 The well to -- down dip on the structure, to the north, was
21 recently completed in the Mississippian, end of 1979, for over
22 a million cubic feet of gas per day, plus four barrels of
23 oil. That's the Yates Petroleum Barbee "LL".

24 The well to the southeast, an offset to
25 this location, is the Phillips Austin No. 1, which was com-

1
2 pleted in 1957 for 10. -- flowing 10.3 million cubic feet of
3 gas out of the Austin-Mississippian zone, plus 100 and -- over
4 150 barrels of condensate.

5 And we feel that we're in a good struc-
6 tural position with our proposed location to encounter pro-
7 ductive Mississippian carbonates.

8 Q Would you please explain Exhibit Number
9 Two?

10 A Okay, Number Three would be the cross
11 section.

12 Q Oh, I'm sorry, Number Three.

13 A Okay.

14 MR. STRAND: Mr. Examiner, we're short
15 two copies on that and we'll send them to you, if we may.

16 A Okay. Exhibit Number Three is a
17 stratigraphic cross section that is hung on the top of the
18 Wolfcamp as a datum marker. The cross section shows the
19 stratigraphy of the Austin-Mississippian zone. I might add
20 that the cross section runs from A to A'. A is the Yates
21 Petroleum Barbee "LL" Well that was completed for over a
22 million cubic feet of gas, and plus four barrels of oil per
23 day. That was in December of 1979.

24 Going south up structure it will be
25 across our proposed location area to the Phillips Austin No.

1 Well, and you can notice here in the red on the map the porous zones at the top of the Austin pay zone in this area.

The cross section continues to the southeast down structure to the Yates Petroleum Head State No. 1 Well, which was a dry hole.

In addition, -- okay, I'll get to Exhibit Number Four in a minute.

Q Okay, would you please explain Exhibit Number Four?

A. Okay. In addition to the Austin-Mississippian as being our primary objective, under the proposed location, we also have a good -- good chance of encountering productive Upper Pennsylvanian carbonates in this area at our proposed location.

The Barbee "LL" Well, Yates Petroleum, to the -- to the northwest of our proposed location was -- did have a show -- not a show, it was not tested, but it had some good carbonates that had good permeabilities, fair porosities, good water saturations, and if you'll notice in Exhibit Number Four, which is a structure map, at the top of the Pennsylvanian we were in a better structural position to this well, being up dip to get possible production from these Upper Pennsylvanian carbonates.

Now a different zone, which is also

1 marked -- which occurs at the top of the Pennsylvanian in the
2 Phillips Austin No. 1 Well just offsetting our proposed loca-
3 tion to the southeast, perforated this Upper Pennsylvanian
4 zone and this zone flowed 17 barrels of condensate, plus around
5 900,000 cubic feet of gas per day.
6
7

8 Now that zone is still behind pipe in
9 their completing because of the spectacular Austin-Mississ-
10 ippian zone they have, which is still producing.

11 So we -- we expect this Upper Pennsyl-
12 vanian to be an additional objective under our proposed loca-
13 tion.

14 Now, to summarize, then, we believe
15 that the location we've chosen is -- is the optimum location
16 to encounter both productive Austin-Mississippian carbonates,
17 as well as possibilities in the Upper Pennsylvanian carbonates
18 for oil producing carbonates, and we believe it has one of
19 the lowest risks in the area for drilling.

20 Q Mr. Thompson, is it your opinion that
21 approval of this application will prevent the loss and risk
22 associated with drilling an excessive number of wells, and
23 will otherwise promote conservation, prevent waste, and pro-
24 tect correlative rights?

25 A Yes, I believe that.

Q Were Exhibits Two and Three prepared

1
2 by you?

3 A. Yes.

4 Q. And Four also, I'm sorry?

5 A. Let's see, yes.

6 MR. STRAND: Mr. Examiner, I move the
7 admission of Exhibits One through Four.

8 MR. STAMETS: These exhibits will be
9 admitted.

10

11

CROSS EXAMINATION

12

BY MR. STAMETS:

13

Q. The location, then, is unorthodox

14

primarily for geologic reasons, is that correct?

15

A. That is correct.

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Q. And it's based on structure, right?

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A. It would be a stratigraphic and

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Q. I see, so it's not just structure,

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standard location.

A. That's true, but we feel that we're in
a better position for better porous and permeable carbonates.

Q Okay.

MR. STAMETS: Any other questions of
this witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7246
heard by me on 5-6-81.
Richard L. Thumt, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Siata Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
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STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 May 1981

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A Yes. Okay, Exhibit Number Two is a structure map that's contoured on the top of the Austin pay section of the Mississippian. The proposed location is -- will be drilled in the Austin Field, which is defined by both subsurface and seismic mapping to be a structural anticline at the Austin-Mississippian level trending northeast to southwest and being on the upthrown side of a northeast to southwest fault bonding structure on the east.

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23 will otherwise promote conservation, prevent waste, and pro-
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MR. STRAND: Mr. Examiner, I move the

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MR. STAMETS: These exhibits will be

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BY MR. STAMETS:

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Okay. And it's obvious on both your

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2 standard location.

3 A That's true, but we feel that we're in
4 a better position for better porous and permeable carbonates.

5 Q Okay.

6 MR. STAMETS: Any other questions of
7 this witness? He may be excused.

8 Anything further in this case?

9 The case will be taken under advisement.

10
11 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 19.
heard by me on 19.

Oil Conservation Division, Examiner

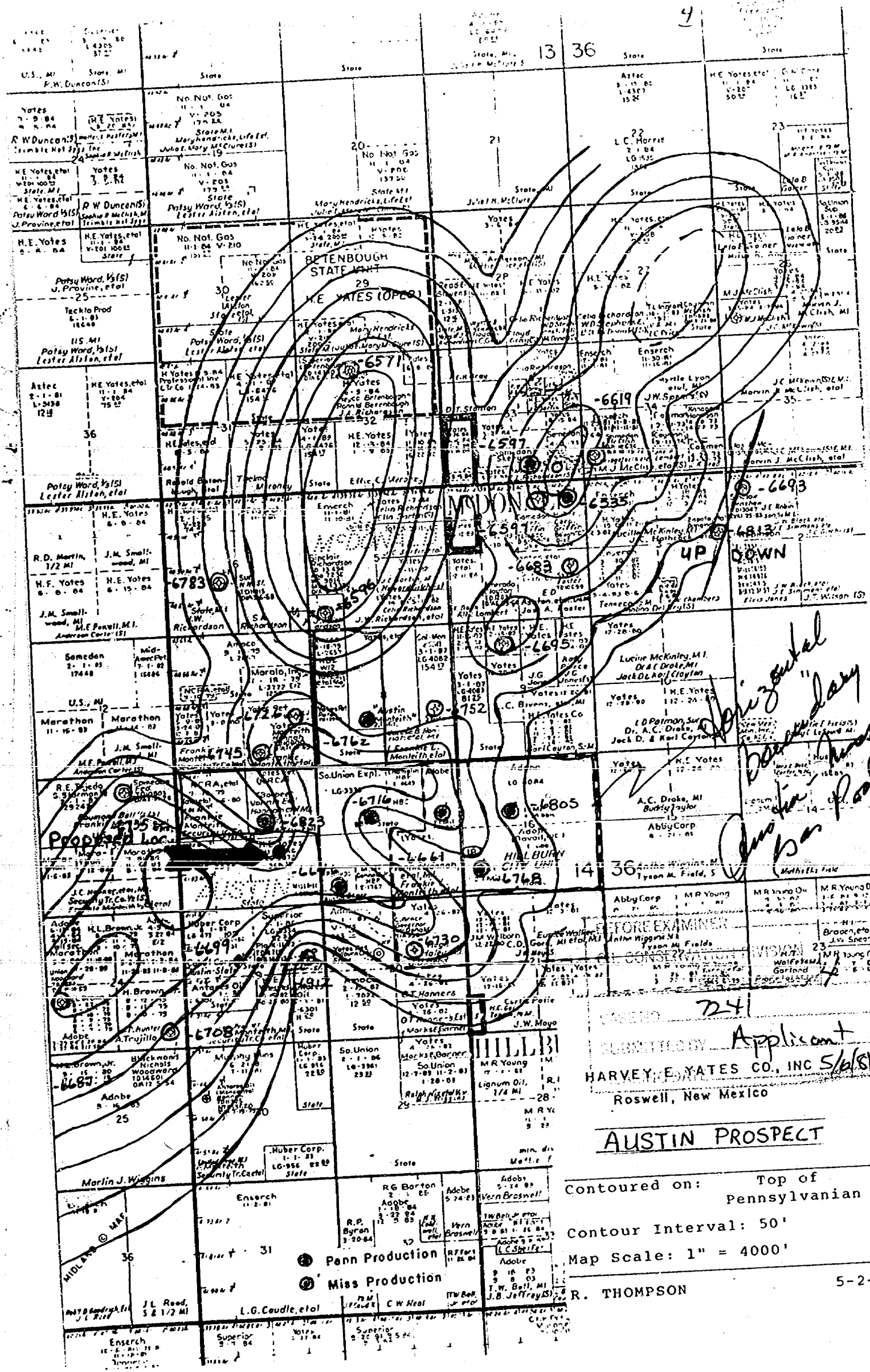
SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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BEFORE EXAMINER 12
OIL CONSERVATION D
Tenneco's
Walter E. Field (S)
by: Leonard Mr. Don't Leonard
7-1-62
15603
AGNES E. HILBERTS
SUBMITTED BY API
U.S. MI
HEARING DATE 135

BEFORE EXAMINER		Section 7	
OIL CONSERVATION DIVISION			
Tennessee		Tennessee	
Leeward Mr.		Hormant & Phill	
Don't Leeward Mr.		E. Harbison	
7241		7241	
Agnes E. Hibbets, et al. MI		Unemployment Liberty	
SUBMITTED BY		F.A.H.	
U.S. MI		F.A.H.	
HEARING DATE		1947	



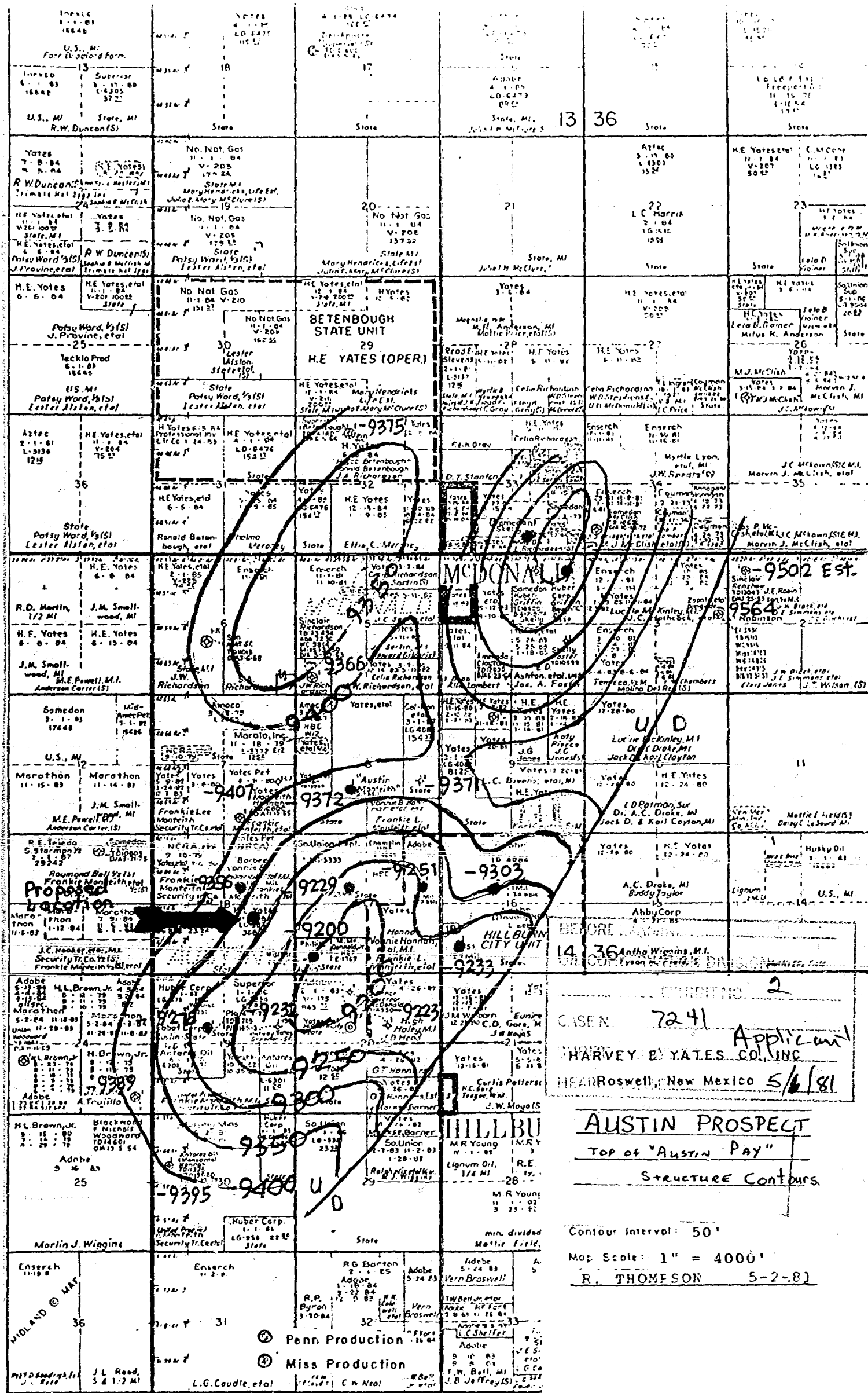
7241
SUBMITTED BY Applicant
HARVEY E. YATES CO., INC 5/6/81
Roswell, New Mexico

AUSTIN PROSPECT

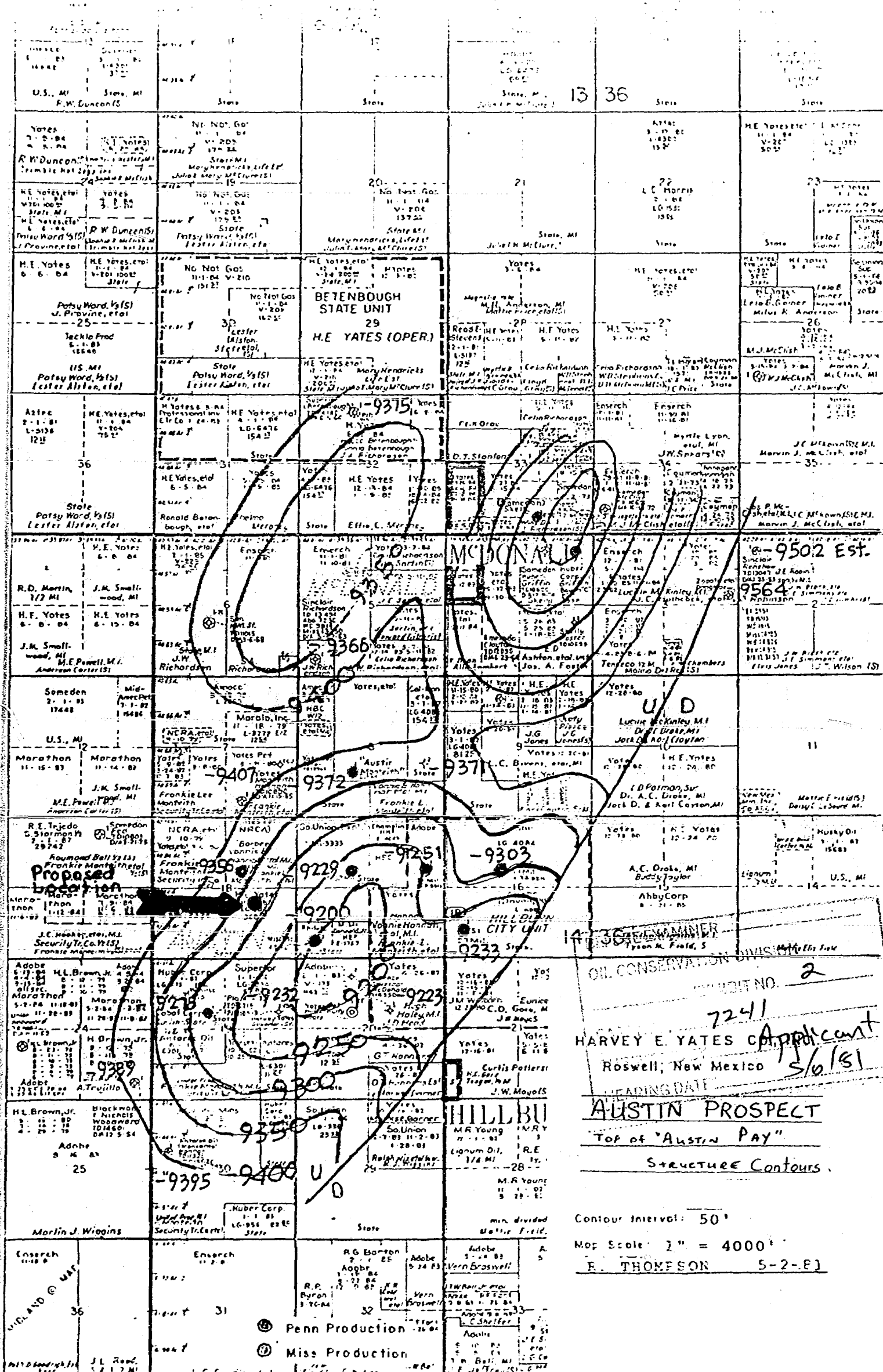
Contoured on: Top of Pennsylvanian
Contour Interval: 50'
Map Scale: 1" = 4000'
R. THOMPSON
5-2-81

[illegible]

[illegible]



[illegible]



Dockets Nos. 16-81 and 17-81 are tentatively set for May 20 and June 3, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 6, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7235: Application of Public Lands Exploration Inc. for a unit agreement, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks approval for the O'Connell Ranch Unit Area, comprising 640 acres, more or less, of State and fee lands in Township 11 North, Range 25 East, said unit being for the purpose of conducting an enhanced oil recovery project by the injection of steam.
- CASE 7236: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Well No. 11 located in Unit E of Section 36, Township 22 South, Range 30 East, to produce gas from the Atoka and Morrow formations thru parallel strings of tubing.
- CASE 7237: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State F-1 Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Drinkard Pool and an undesignated Tubb pool thru parallel strings of tubing.
- CASE 7238: Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7239: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 75.5-acre non-standard proration unit comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 7240: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbore of its Sunray B Well No. 6 located in Unit G of Section 1, Township 30 North, Range 10 West.
- CASE 7241: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Mississippian location of its Austin State 18 Well No. 1 to be drilled 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East, the S/2 of said Section 18 to be dedicated to the well.
- CASE 7242: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its McDonald Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 7243: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian and Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, for a gas completion and/or all mineral interests in the Devonian formation underlying the SE/4 SE/4 of said Section 33 for an oil completion. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7217: (Continued from April 8, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Com Well No. 1 to be drilled 660 feet from the South and West lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

- CASE 7244: Application of Crescent Energy Corp. for an unorthodox oil well location and non-standard oil production unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Bough "C" location of a well to be drilled 2630 feet from the North line and 1980 feet from the East line of Section 32, Township 8 South, Range 37 East, Allison-Pennsylvanian Field, the SW/4 NE/4 and NW/4 SE/4 of said Section 32 to be dedicated to the well.
- CASE 7245: Application of The Superior Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 21, Township 20 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. (This case will be dismissed.)
- CASE 7246: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 32 State Com. Well No. 1 located in Unit C of Section 32, Township 21 South, Range 32 East, to produce gas from the Atoka and Morrow formations.
- CASE 7247: Application of Getty Oil Company for a gas well classification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of its State 29-J Well No. 1, an oil well located in Unit J of Section 29, Township 24 South, Range 33 East, as a retrograde gas condensate well with the S/2 of said Section 29 to be dedicated to the well.
- CASE 7248: Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.
- CASE 7249: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7250: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7251: Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7252: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying portions of Townships 24 and 25 North, Ranges 7, 8, 9, and 10 West, containing 135,040 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

PHONE (505) 623-6601

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 193 SECURITY NATIONAL BANK BUILDING ROSWELL, NEW MEXICO 88201

April 23, 1981



Case 7241

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

Re: Application for
Unorthodox location
1980 FSL and 1650 FEL
Sec. 18, T-14S, R-36E,
Lea County, New Mexico

Gentlemen:

Enclosed for filing is an original and two copies of the above referenced application.

This application was previously called in to your office and is set for hearing on the May 6, 1981 docket.

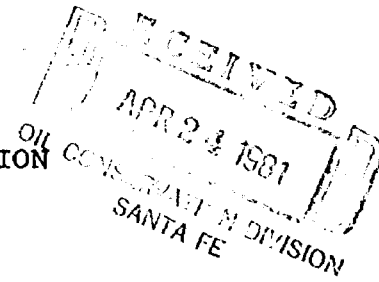
Sincerely,

Robert H. Strand

Robert H. Strand
Attorney

RHS/smb
Encl.

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
LEA COUNTY, NEW MEXICO :

Case No. 7241

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by it attorney
and respectfully states:

1. Applicant is operator of the Austin-Mississippian
formation underlying:

Township 14 South, Range 36 East, N.M.P.M.

Section 18: S/2

2. Applicant proposes to drill its Austin State 18 #1
well at a location 1980 feet from the South line and 1650 feet
from the East line of said Section 18 to a depth sufficient to
adequately test the Austin-Mississippian formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Austin-Mississippian formation
at the above described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the aboved described lands should be dedicated to such well.

5. The approval of this application will afford
Applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicants prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

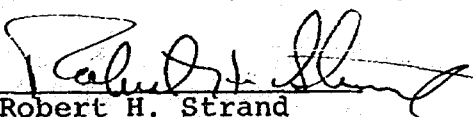
B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 1980 feet from the South line and 1650 feet from the East line of said Section 18 and to dedicate the S/2 of Section 18 to said well.

C. For such further relief as the Division deems just and proper.

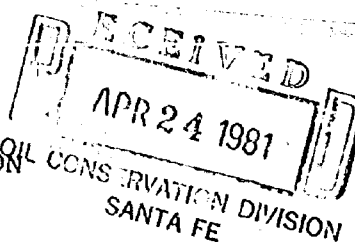
DATED this 23rd day of April, 1981/

HARVEY E. YATES COMPANY

BY:


Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
LEA COUNTY, NEW MEXICO :

Case No. 7241

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is operator of the Austin-Mississippian
formation underlying:

Township 14 South, Range 36 East, N.M.P.M.
Section 18: S/2

2. Applicant proposes to drill its Austin State 18 #1
well at a location 1980 feet from the South line and 1650 feet
from the East line of said Section 18 to a depth sufficient to
adequately test the Austin-Mississippian formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Austin-Mississippian formation
at the above described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the above described lands should be dedicated to such well.

5. The approval of this application will afford
Applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicants prays:

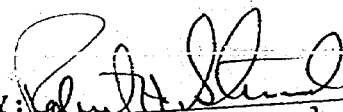
A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 1980 feet from the South line and 1650 feet from the East line of said Section 18 and to dedicate the S/2 of Section 18 to said well.

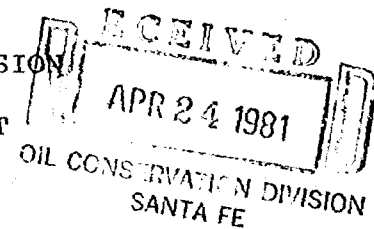
C. For such further relief as the Division deems just and proper.

DATED this 23rd day of April, 1981/

HARVEY E. YATES COMPANY

BY: 
Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, : Case No. 7241
LEA COUNTY, NEW MEXICO :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is operator of the Austin-Mississippian
formation underlying:

Township 14 South, Range 36 East, N.M.P.M.

Section 18: S/2

2. Applicant proposes to drill its Austin State 18 #1
well at a location 1980 feet from the South line and 1650 feet
from the East line of said Section 18 to a depth sufficient to
adequately test the Austin-Mississippian formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Austin-Mississippian formation
at the above described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the aboved described lands should be dedicated to such well.

5. The approval of this application will afford
Applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicants prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 1980 feet from the South line and 1650 feet from the East line of said Section 18 and to dedicate the S/2 of Section 18 to said well.

C. For such further relief as the Division deems just and proper.

DATED this 23rd day of April, 1981/

HARVEY E. YATES COMPANY

BY:


Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

Heyco Harvey E. Upen, Co.

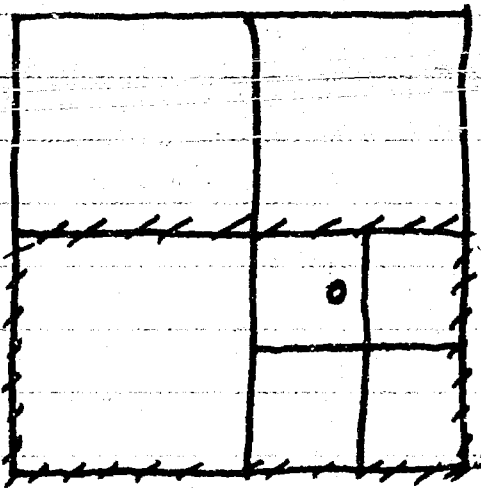
unorthodox gas well location
~~near the~~ Mississippi

Austin State 18 # 1

1980 FSL 1650 FEL
18-145-36E Lea

5/2 dedicated

called in by Bob Steand 4/16/81 11:20a



DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7241

ORDER NO. R- 6689

APPLICATION OF HARVEY E. YATES COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6,
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stanets

NOW, on this _____ day of May, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

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

(2) That the applicant, Harvey E. Yates Company,
for its Austin State 18 Well No. 1 to be drilled
seeks approval of an unorthodox gas well location/ 1980
feet from the South line and 1650 feet from the
East line of Section 18, Township 14 South
Range 36 East, NMPM, to test the Mississippian
formation, Austin Mississippian Gas Pool, Lea
County, New Mexico.

(3) That the S/2 of said Section 18 is to be
dedicated to the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED: *Harvey E. Yates Company is hereby authorized*

it (1) That an unorthodox gas well location for the Mississippian formation ~~is hereby approved~~ for ~~a well~~ to be located at a point 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East NMPM, Austin-Mississippian Gas Pool, Co. Lea County, New Mexico.

(2) That the S/2 of said Section 18 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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