

CASE 5559: Appl. of YATES  
PETROLEUM CORP. for an UNORTHODOX  
GAS WELL LOCATION, Eddy County

*Approved  
by [signature]  
(red)*

CASE NO.

5559

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 24, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum  
Corporation for an unorthodox gas well  
location, Eddy County, New Mexico.

CASES  
5558  
5559  
5560

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Thomas Derryberry, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

sid morrison reporting service

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 MR. NUTTER: We will call the next Case, 5558,  
2 5559, and 5560, all three, which are all applications of  
3 Yates Petroleum Corporation for unorthodox gas well locations  
4 in Eddy County.

5 MR. DERRYBERRY: Mr. Examiner, the applicant in  
6 these cases has requested that each of these cases be  
7 dismissed.

8 MR. NUTTER: Cases numbers 5558, 5559 and 5560  
9 will be dismissed.  
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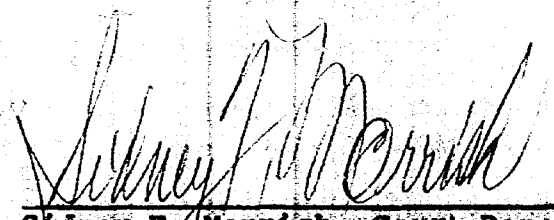
**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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State of New Mexico )  
 ) ss.  
County of Santa Fe )

I, SIDNEY F. MORRISH, a court reporter, do hereby  
certify that the foregoing and attached Transcript of Hearing  
before the New Mexico Oil Conservation Commission was reported  
by me, and the same is a true and correct record of the said  
proceedings to the best of my knowledge, skill and ability.

  
Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5588-1  
heard by me on 9/24/70  
New Mexico Oil Conservation Commission  
Examiner

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

STATE GEOLOGIST  
EMERY C. ARNOLD

Other

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5559  
Order No. R-5099

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24,  
1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 1975, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in  
the premises,

FINDS:

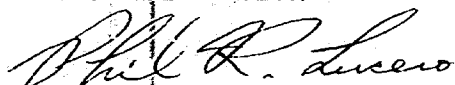
That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5559 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

Yates Pet. Corp. unorthodox gas well -

Hellor "EO" well

30-17-26

to be drilled

660 FNL + 660 FWL

or in alternative

1980 FNL + 660 FWL

Sec. 30

dedicate  $N/2$

application taken by phone

9:30 a.m.

9/2/75

from Joel Carson

Case 5559

Dockets Nos. 23-75 and 24-75 are tentatively set for hearing on October 8, and October 15, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

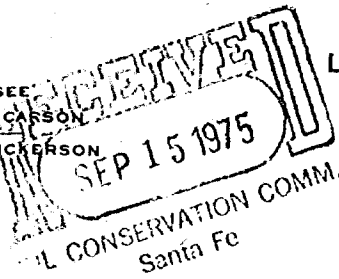
DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 24, 1975

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Joe D. Ramey, Alternate Examiner:

- CASE 5555: Application of Lone Star Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Devonian formation through the open-hole interval from 12,180 feet to 12,226 feet in its Santa Fe Well No. 2 located in Unit O of Section 19, Township 9 South, Range 37 East, East Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 5556: Application of Atlantic Richfield Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from 4,573 feet to 4,682 feet in its State "F" TG Well No. 5 located in Unit A of Section 36, Township 17 South, Range 33 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- CASE 5557: Application of C & K Petroleum, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Power Deep Unit comprising 5,713 acres, more or less, of State and Federal lands in Townships 17 and 18 South, Ranges 30 and 31 East, Eddy County, New Mexico.
- CASE 5558: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its BZ Well No. 12 to be drilled at a point 660 feet from the South and West lines of Section 21, Township 17 South, Range 25 East, Eddy County, New Mexico, to have dedicated the W/2 of said Section 21.
- CASE 5559: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled at a point 660 feet from the North and West lines, or in the alternative, 1980 feet from the North line and 660 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, to have dedicated the N/2 of said Section 30.

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON



LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

12 September 1975

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

Gentlemen:

Enclosed for filing, please find original and two copies of the amended application of Yates Petroleum Corporation for an unorthodox well location in the N/2 of Section 30, Township 17 South, Range 26 East, N.M.P.M., Eddy County, for its Nellor "EO" well. This amended application is to correct the location of the Nellor "EO" well, and we request that you disregard the earlier application submitted with our letter of September 10.

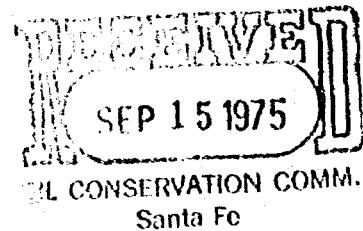
Very truly yours,

LOSEE & CARSON, P.A.

A. J. Losee

AJL:jw  
Enclosures

cc w/enclosure: Mr. Jack W. McCaw



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE NO. 5559  
COUNTY, NEW MEXICO. :

AMENDED APPLICATION

COMES YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. That applicant is an operator of a majority of  
the interest in the Pennsylvanian formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 30: N/2

2. Applicant proposes to drill its Nellor "EO" well  
in the NW/4 NW/4 at a location 660 feet from the North and  
660 feet from the West lines of said Section 30, or, in the  
alternative, at a location in the SW/4 NW/4 which is 1,980 feet  
from the North and 660 feet from the West lines, and to dedicate  
the N/2 of said Section 30 to the well.

3. Applicant seeks an exception to the well location  
requirements of Rule 104-C of the Oil Conservation Commission  
to permit the drilling of the well at the above mentioned un-  
orthodox location to a depth sufficient to adequately test the  
Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising  
the N/2 of said Section 30 should be dedicated to the Nellor  
"EO" well.

5. That the approval of this amended application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this amended 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 Commission enter its order granting applicant alternative permission to drill its Nellor "EQ" and to dedicate the N/2 of said Section 30 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

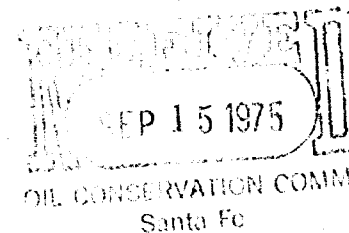
C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 

LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE.NO. \_\_\_\_\_  
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660 feet from the West lines of said Section 30, or, in the  
alternative, at a location in the SW/4 NW/4 which is 1,980 feet  
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3. Applicant seeks an exception to the well location  
requirements of Rule 104-C of the Oil Conservation Commission  
to permit the drilling of the well at the above mentioned un-  
orthodox location to a depth sufficient to adequately test the  
Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising  
the N/2 of said Section 30 should be dedicated to the Nellor  
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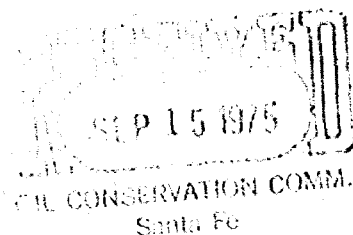
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YATES PETROLEUM CORPORATION

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LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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B. That upon hearing the Commission enter its order granting applicant alternative permission to drill its Nellox "EO" and to dedicate the N/2 of said Section 30 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

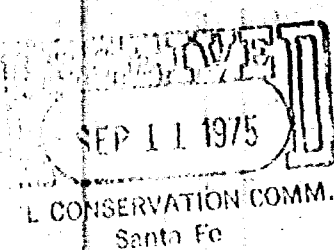
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LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE. NO. 5559  
COUNTY, NEW MEXICO. :

APPLICATION

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660 feet from the ~~East~~ <sup>West line</sup> line of said Section 30, or, in the  
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B. That upon hearing the Commission enter its order granting applicant alternative permission to drill its Nellor "EO" and to dedicate the N/2 of said Section 30 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 

LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

DOCKET MAILED

Date 9/12/75

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5559

Order No. R- 5099

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1975, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5559 is hereby dismissed.

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