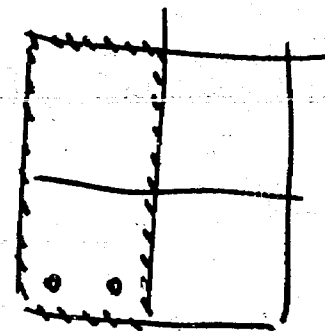


CASE 5609: YATES PET. CORP. FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO



CASE NO.

5609

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

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

CASES  
5609 & 5610

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: A. J. Losee, Esq.  
LOSEE & CARSON, P.A.  
Attorneys at Law  
300 American Home Building  
Artesia, New Mexico

sid morrish reporting service

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

I N D E X

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Direct Examination by Mr. Losee	3

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Applicant's Exhibit No. Two, Map	9
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 Phone (505) 982-9212

1 MR. STAMETS: We will call Case 5609.

2 MR. CARR: Case 5609, application of Yates Petroleum  
3 Corporation for an unorthodox gas well location, Eddy County,  
4 New Mexico.

5 MR. LOSEE: Mr. Examiner, A. J. Losee of Losee and  
6 Carson from Artesia, appearing on behalf of the Applicant.

7 I would like to at this time move to consolidate  
8 for hearing, this Case with 5610, both involve unorthodox  
9 locations, one directly north offsetting the other one. The  
10 geology and the testimony would be the same.

11 MR. STAMETS: Any objection to the consolidation of  
12 these Cases, Case 5610 being the application of Yates Petroleum  
13 Corporation for an unorthodox gas well location, Eddy County,  
14 New Mexico? The two Cases will be consolidated for purposes  
15 of testimony.

16 MR. LOSEE: I have one witness, Mr. Beck.

17 MR. STAMETS: Will you stand and be sworn, please?

18 (THEREUPON, the witness was duly sworn.)

19 RAY BECK

20 called as a witness, having been first duly sworn, was  
21 examined and testified as follows:

22  
23 DIRECT EXAMINATION

24 BY MR. LOSEE:

25 Q Would you state your name, residence and occupation?

1 A. Ray Beck, Artesia, New Mexico with Yates Petroleum  
2 Corporation.

3 Q. What is your occupation with Yates?

4 A. A geologist.

5 Q. Have you previously testified before the Commission  
6 and had your qualifications as a geologist accepted?

7 A. I have.

8 Q. Would you explain the purpose of the application in  
9 Case Number 5609?

10 A. In Case 5609 Yates Petroleum seeks approval of an  
11 unorthodox gas location of the proposed Number 1 Nellor EO  
12 well to be drilled six, sixty feet from the north and six  
13 hundred and sixty feet from the west line of Section 30,  
14 Township 17 South, Range 26 East or in the alternative, nineteen  
15 hundred and eighty feet from the north and six hundred and  
16 sixty feet from the west line of said Section 30. The north  
17 half of Section 30 is dedicated to the well.

18 Q. Would you explain the purpose of the application  
19 in Case Number 5610?

20 A. In Case 5610 Yates Petroleum seeks approval of the  
21 unorthodox gas location of its Number 1 Caskey EV well which  
22 was drilled six hundred and sixty feet from the south and  
23 fourteen hundred feet from the west line of Section 30,  
24 Township 17 South, Range 26 East. The south half of Section  
25 30 is dedicated to the well.

1 Q Where are these two locations in relation to any  
2 producing Morrow gas field?

3 A Both of the proposed unorthodox locations are  
4 immediately north of the West Atoka Morrow gas area in Eddy  
5 County.

6 Q Please refer to what has been marked as Exhibit  
7 Number One and explain what is portrayed on this exhibit?

8 A Exhibit One is a land plat showing the proposed  
9 locations in their relationship to the surrounding leasehold  
10 situations. It may be noted that the unorthodox movement is  
11 to the west towards Yates Petroleum acreage, lying to the  
12 northwest, west and southwest of the proposed location.

13 Q I take it that yellow-colored acreage is Yates  
14 Petroleum Corporation acreage?

15 A That's correct.

16 Q I notice in Section 30 for your Caskey well, there  
17 are three eighties in the south half of 30 which are owned  
18 by parties other than Yates?

19 A That's true.

20 Q They've entered into an operating agreement for the  
21 drilling of this well, have they not?

22 A That is correct.

23 Q Please refer to what has been marked as Exhibit  
24 Number Two and explain what is shown by this exhibit?

25 A Exhibit Two is a map showing as solid contours of

1 twenty-foot contour intervals, the thickness and approximate  
2 areal extent of three Morrow channel sand reservoirs in the  
3 West Atoka and environs. Also mapped is a structure on top  
4 of the Morrow clastics.

5 Wells that have encountered more economic and  
6 efficient channel reservoirs are colored in red. The southerly  
7 elongate channel body of the partially depleted West Atoka  
8 channel which will ultimately produce in excess of forty  
9 billion cubic feet of gas from six wells. The discovery well,  
10 the Mountain States McCullough in nineteen of eighteen, twenty-  
11 six found virgin pressure at thirty-six hundred psi. Four  
12 years and five successful wells later the Yates Vanforford DO in  
13 seven of eighteen, twenty-six found the pressure in the West  
14 Atoka to be sixteen hundred and fifty-three pounds per square  
15 inch. Now, I'm told that the last time they measured it, it  
16 was last August, it was one thousand, and ninety pounds.

17 The smaller, northwesterly channel body in Township  
18 17, 25, might be termed the Arco channel, which will only  
19 produce about eight billion cubic feet of gas.

20 The discovery, Yates Arco EC Number 1 in thirty-six,  
21 seventeen, twenty-five found subnormal pressures of thirty-one  
22 hundred and sixty pounds in May of this year. Wells put on  
23 production three months later, the northeast offset, the Yates  
24 Jackson well, found the channel pressure to be twenty-six  
25 hundred and seventy-four pounds per square inch.

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1 The westerly offsetting, Western Oil Producers  
2 Flint Number 2, DST'd a dirtier, tighter edge facies of the  
3 Arco channel with a final shut-in pressure of twenty-eight,  
4 twenty-three.

5 The channel to the right of that in seventeen,  
6 twenty-six was discovered in August of 1975 by the Yates-  
7 Halderman borehole, thirty-one, seventeen, twenty-six. The  
8 Halderman encountered thirty-five feet of channel sand, albeit  
9 somewhat dirty and tight, which had virgin pressures of  
10 thirty-five hundred and thirty pounds per square inch, three,  
11 five, three, oh.

12 This history of pressure brings us to the present  
13 unorthodox location. The Yates Caskey well has been drilled.  
14 The Caskey missed the Halderman Morrow channel but it is now  
15 being completed in three sands in the Atoka series. Prior to  
16 drilling the Caskey, with one point in the Halderman channel  
17 inversion pressures, we've rejected the Halderman channel as  
18 it is shown in dotted contours on Exhibit Two, hoping to  
19 encounter the cleaner, thicker part of the Halderman channel.

20 After the Caskey well, we now project the Halderman  
21 channel as shown in solid contours under the Nellor unorthodox  
22 location. This projection is based on the present well controls,  
23 principally the Yates-Halderman EN well and the pressure  
24 history of the channel reservoirs.

25 Also to be noted are the locations of cross sections

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1 AA prime to the north and BB prime to the south.

2 Q What you are saying is your unorthodox location  
3 you seek for the Caskey didn't encounter the Morrow channel?

4 A. That is correct.

5 Q And that you have moved your Nellor unorthodox further  
6 towards the west, which is Yates acreage?

7 A. Correct.

8 Q Please refer to your Exhibit Three which is your  
9 cross section and explain what is portrayed by this exhibit?

10 A. The upper cross section AA transversely crosses the  
11 Arco and Halderman channels and it can be compared with cross  
12 section BB prime which crosses the north part of the Atoka  
13 West Vanderford channel.

14 The cross section had a depth dimension to the  
15 previous exhibit. You might notice the tops of the Morrow  
16 clastics and the top of the Chester lime and the DST and the  
17 completion data.

18 Q Do you feel that a well located at your proposed  
19 Caskey and Nellor locations will efficiently drain the south  
20 half and the north half of Section 30, respectively?

21 A. I do believe it will, yes.

22 Q You don't think the Caskey will drain the Morrow,  
23 do you?

24 A. No.

25 Q Do you think the approval of these two unorthodox

1 locations will augment the risk of drilling unnecessary wells?

2 A. Yes.

3 Q Will they prevent waste and protect correlative  
4 rights?

5 A. Yes.

6 Q Were Exhibits One through Three prepared by you?

7 A. Yes.

8 MR. LOSEE: I move the introduction of Exhibits  
9 One through Three.

10 MR. STAMETS: These exhibits will be admitted.  
11 (THEREUPON, Applicant's Exhibits One through  
12 Three were admitted into evidence.)

13 MR. LOSEE: I have nothing further.

14 MR. STAMETS: Are there questions of the witness?  
15 The witness may be excused.

16 (THEREUPON, the witness was excused.)

17 MR. STAMETS: Anything further in this case?

18 MR. LOSEE: Nothing further.

19 MR. STAMETS: We will take the case under advise-  
20 ment.

21

22

23

24

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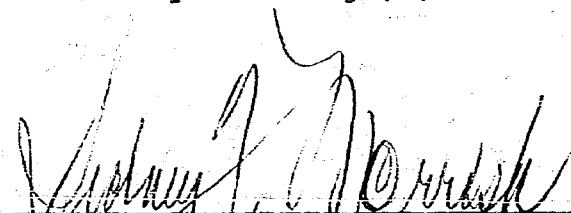
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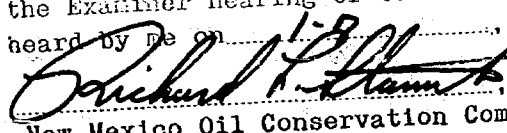
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5609-5610  
heard by me on 1-8-1976.

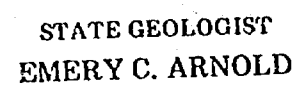
  
Richard H. Stamm, Examiner  
New Mexico Oil Conservation Commission



STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE

87501

LAND COMMISSIONER  
PHIL R. LUCERO



DIRECTOR  
JOE D. RAMEY

Mr. A. J. Losee  
Losee & Carson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 5609  
ORDER NO. R-5151

Applicant:

Yates Petroleum Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC     x      
 Artesia OCC     x      
 Aztec OCC           

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. 5609  
Order No. R-5151

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 January 7, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Nellor "EO" Well, 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North line and 660 feet from the West line of Section 30, Township 17 South, Range 26 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, West Atoka Field, Eddy County, New Mexico.

(3) That the N/2 of said Section 30 is to be dedicated to the well.

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

(5) That no offset operator objected to either of the proposed unorthodox locations.

(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

-2-

Case No. 5609  
Order No. R-5151

number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for applicant's Nellor "EO" Well to be located at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North line and 660 feet from the West line of Section 30, Township 17 South, Range 26 East, NMPM, West Atoka Field, Eddy County, New Mexico.

(2) That the N/2 of said Section 30 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 Commission may deem necessary.

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

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:

*[Signature]*  
CASE NO. 5609

Order No. R- 5151

APPLICATION OF Yates Petroleum Corporation  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

*[Signature]*  
This cause came on for hearing at 9 a.m. on January 7, 19 76,  
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NOW, on this        day of January, 19 76, the Commission,  
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FINDS:

(1) That due public notice having been given as required by law, the  
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(2) That the applicant, Yates Petroleum Corporation, seeks  
~~for its Heller "EO" Well,~~  
approval of an unorthodox gas well location 1980 feet from the North  
or in the alternative, 660 feet  
line and 660 feet from the West line of Section 30, Township  
17 South, Range 26 East, NMPM, to test the Wolfcamp  
and Pennsylvanian formations, West Ft. Ka Field pool,  
Eddy County, New Mexico.

from the North  
line and 660  
feet from the  
West line

(3) That the N/2 of said Section 30 is to be dedicated to the  
well.

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

*either of*  
(5) That no offset operator objected to the proposed unorthodox  
locations.



-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:

(1) That an unorthodox gas well location for the W. Ham and Pennsylvania applicant's Nellor "EO" Well formation is hereby approved for ~~a well~~ to be located at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North line and 660 feet from the West line of Section 30, Township 17 South, Range 26 East line NMPM, West Pto Ka Field Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 30 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 Commission may deem necessary.

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

AIRPORT										MILANO MAP										ARTESIA										KENNEDY										ATOKA									
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Dockets Nos. 2-76 and 3-76 are tentatively set for hearing on January 14 and January 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 1-76

**DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1976**

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

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

- CASE 5600:** Application of Champlin Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing.
- CASE 5601:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tapacito-Pictured Cliffs and Basin-Dakota gas production in the wellbore of its Tribal "C" Well No. 10-7, located in Unit J of Section 7, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5602:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland gas production in the wellbore of its Collins Well No. 1, Vanley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 5603:** Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalzat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Matrix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie Matrix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalzat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalzat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said wells.
- CASE 5604:** Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Querecho Plains-Queen Pool by the injection of water into the Queen formation through its Anadarko Federal Well No. 5 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

Examiner Hearing - Wednesday - January 7, 1976

Docket No. 1-76  
-2-

- CASE 5605:** Application of Saguaro Oil Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Table Mesa-Dakota Oil Pool, San Juan County, New Mexico, including a provision for 2 1/2-acre spacing.
- CASE 5606:** Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tubb and Drinkard production in the wellbore of its Brunson B Well No. 3, located in Unit M of Section 3, Township 22 South, Range 27 East, Lea County, New Mexico.
- CASE 5607:** Application of Black River Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Canyon formation well at an unorthodox location 230 feet from the South line and 150 feet from the West line of Section 33, Township 25 South, Range 24 East, Eddy County, New Mexico.
- CASE 5608:** Application of Northern Natural Gas Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Magruder Hill Unit Area comprising 2,258 acres, more or less, of Federal, State, and fee lands in Township 22 South, Range 25 and 26 East, Eddy County, New Mexico.
- CASE 5609:** 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 Nellor "E" Well to be drilled at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North and West lines of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the N/2 of said Section 30 to be dedicated to the well.
- CASE 5610:** 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 Caskey "EV" Well to be drilled at a point 660 feet from the South line and 1400 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5611:** Application of David C. Collier for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Welch State No. 7 Well located 1330 feet from the South and West lines of Section 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, said well having formerly been a water injection well.
- CASE 5612:** Application of Dalport Oil Corporation for exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to the provisions of Commission Order No. R-3221 permission to dispose of produced salt water from its State C Wells Nos. 1, 2, and 3, located in Units D, E, and L, respectively, of Section 16, Township 15 South, Range 30 East, Double L Queen Associated Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit E of said Section 16.
- CASE 5596: (Reopened & Readvertised)**  
Application of Burk Royalty Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Queen formation underlying the following-described lands, Double L-Queen Pool, Chaves County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM

Section 23: E/2 SE/4

Section 24: W/2 SW/4

Section 25: NW/4, SW/4 NE/4, N/2 SW/4, SE/4 SW/4, W/2 SE/4, &amp; SE/4 SE/4

Section 36: NE/4 NW/4, NE/4, N/2 SE/4, &amp; SE/4 SE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM

Section 31: W/2, W/2 SE/4, &amp; SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 1: E/2 E/2

Section 12: NE/4 &amp; E/2 SE/4

Section 13: NE/4 NE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 6: N/2, SW/4, &amp; NW/4 SE/4

Section 7: W/2 W/2 &amp; NE/4 NW/4

Section 18: NW/4

Among the matters to be considered at the hearing will be the necessity of unit operations and the feasibility of the proposed secondary recovery program; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 5613: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the West Grama Ridge-Bone Springs Pool. The discovery well is Southern Union Production Company Barbara Federal Well No. 1 located in Unit I of Section 6, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 6: SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Hay Hollow-Strawn Gas Pool. The discovery well is Great Western Drilling Company Hay Hollow Unit Well No. 1 located in Unit J of Section 11, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM

Section 11: E/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Ross-Draw-Delaware Gas Pool. The discovery well is J. C. Williamson Ross Draw Unit Well No. 1 located in Unit N of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 27: W/2 Section 34: NW/4

(d) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Sulimar-San

Andres Pool. The discovery well is McClellan Oil Corporation Lisa A Federal Well No. 1Y located in Unit K of Section 13, Township 15 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 13: SW/4

(e) Extend the vertical limits of the Legg-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation; and redesignate the pool as the Legg Atoka-Morrow Gas Pool.

(f) Extend the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 26: S/2 Section 35: N/2

(g) Extend the Bar-U-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 31: S/2

(h) Extend the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 19: S/2 Section 30: W/2

(i) Extend the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 17: NW/4 Section 18: NE/4

(j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM

Section 9: E/2 SE/4 and S/2 SW/4

(k) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 26: SW/4

(l) Extend the Jalmat Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 2: NW/4

(m) Extend the South Lucky Lake-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 22: W/2 NW/4

(n) Extend the Pecos-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM

Section 27: SW/4 NE/4 and W/2 SE/4

(o) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 6: SW/4

(p) Extend the Vacuum-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 11: SW/4

Case 5609

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

December 15, 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  
each of two applications of Yates Petroleum Corporation  
for unorthodox well locations in Eddy County, New Mexico.

We ask that you please set a date for hearing these cases  
before an examiner and that you furnish us with a docket  
of the hearings. Thank you.

Yours truly,

LOSEE & CARSON, P.A.

  
Joel M. Carson

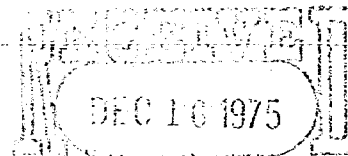
JMC:bjm

Enclosures

cc w/enclosures: Mr. Jack W. McCaw

DOCKET MAILED

Date 12/29/75



OIL CONSERVATION COMM.  
Santa Fe

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 COUNTY, NEW MEXICO. :

CASE NO.

5609

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,  
and in support hereof, respectfully states:

1. That the applicant is the operator of 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 unorthodox  
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 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 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 "EO" Well 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 : CASE NO. 5609  
AN UNORTHODOX GAS WELL LOCATION, :  
EDDY COUNTY, NEW MEXICO. :  
----- :

APPLICATION

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and in support hereof, respectfully states:

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

Section 30: N/2.

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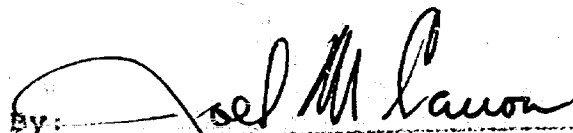
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Losee & Carson, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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

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formation of the Pennsylvanian system.

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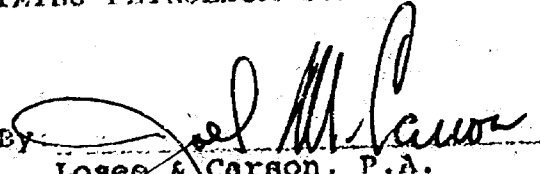
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Artesia, New Mexico 88210

Attorneys for Applicant