

Harvey CASE 5268: HARVEY E. YATES COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

Case Number

5868

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 16, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company
for an unorthodox gas well location,
Eddy County, New Mexico.

CASE
5868

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: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

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

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87101
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1 MR. STAMETS: We will call next Case 5868.

2 MS. TESCHENDORF: Case 5868, application of Harvey
3 E. Yates Company for an unorthodox gas well location,
4 Eddy County, New Mexico.

5 MR. CARSON: Mr. Examiner, my name is Joel Carson,
6 Losee & Carson P.A., Artesia, New Mexico, appearing here on
7 behalf of the applicant and I have one witness, Mr. Andy
8 Lattu.

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

10 (THEREUPON, the witness was duly sworn.)
11

12 ANDREW LATTU

13 called as a witness, having been first duly sworn, was
14 examined and testified as follows:
15

16 DIRECT EXAMINATION

17 BY MR. CARSON:

18 Q Mr. Lattu, have you ever testified before this
19 Commission before?

20 A No, I have not.

21 Q Would you tell the Examiner your address and your
22 occupation?

23 A I'm a geologist with Harvey Yates Company. I live
24 in Midland, Texas.

25 Q And would you give a little bit of your educational

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1 background?

2 A. I received a Bachelor of Arts degree in Geology
3 from the University of Montana in 1966. I received a Master of
4 Science in Geology from the University of Texas, El Paso, in
5 1976. I have studied clastic depositional systems and advanced
6 structural geology at UT Austin and geochemistry at the
7 University of Texas, Arlington, carbonates at the University
8 of Texas, El Paso, and I have prepared a paper as part of my
9 Master's, work on the Morrow sands in the Catclaw and the
10 Rock Tank Field area.

11 Q. And would you explain to the Hearing Examiner what
12 kind of practical experience you have?

13 A. I worked for Marathon Oil Company as an exploration
14 geologist in southeast New Mexico for five years, for Texas
15 Pacific Oil Company as an exploration geologist in Southeast
16 New Mexico and the Delaware Basin of West Texas for a year and
17 a half and now for Harvey Yates Company as an exploration
18 geologist in Southeast New Mexico.

19 MR. CARSON: Are the witness' credentials
20 acceptable?

21 MR. STAMETS: The witness is considered qualified.

22 Q. (Mr. Carson continuing.) In this Case 5868 would you
23 explain to the Hearing Officer briefly what the purpose of
24 this application is?

25 A. The purpose of the application is to drill an

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1 unorthodox location to test the Morrow sands, the location
2 being thirty-three hundred feet from the east line and nineteen
3 hundred and eighty feet from the south line in Section 18 of
4 Township 18 South, Range 29 East, Eddy County, New Mexico.

5 Q Would you refer to your Exhibit Number One, please,
6 and explain to the Hearing Examiner what that purports to
7 show?

8 A Our Exhibit Number One is a Surveyor's Plat prepared
9 by Hershell Jones, a licensed surveyor. It shows the location
10 of the well being thirty-three hundred feet from the east
11 line and nineteen hundred and eighty feet from the south line
12 of Section 18.

13 Mr. Jones did not advise us at the time this survey
14 was made that this would result in an unorthodox location of
15 this well, being that the section is a narrow or a slim
16 section.

17 Q And the hash marks on the left of the section
18 indicate the short section, is that correct?

19 A Yes, it does.

20 Q I will refer you to Applicant's Exhibit Number
21 Two and ask if that exhibit was prepared by you or under your
22 supervision?

23 A Yes, it was.

24 Q And what does that exhibit purport to show?

25 A The outer line indicates the working interest unit

1 boundaries and the inner boundary in Section 18 indicates the
2 proration unit for the subject well and the red circle in this
3 inner boundary is the actual well location.

4 Q I refer you to Applicant's Exhibit Number Three
5 and ask if you would explain that, if that was made by you or
6 under your supervision?

7 A Yes, it was.

8 Q Would you explain that to the Hearing Examiner, please?

9 A This is an isopach of the Morrow sand zone in the
10 Upper Morrow which I have identified as the B-4 zone and it
11 shows a more or less north-south trending sand channel which
12 we expect to encounter in the subject well.

13 Q Mr. Lattu, is it your belief, your professional
14 opinion rather, that the approval of this application would
15 afford the applicant the opportunity to produce its just and
16 equitable share of gas and it would prevent the economic loss
17 caused by the drilling of unnecessary wells, would avoid the
18 augmentation of risk arising from the drilling of an excessive
19 number of wells and otherwise prevent waste and protect
20 correlative rights?

21 A Yes, sir.

22 MR. CARSON: I would like to move the introduction
23 of these exhibits, Mr. Examiner.

24 MR. STAMETS: The exhibits will be admitted.
25

(THEREUPON, Applicant's Exhibits One through Three were admitted into evidence.)

MR. CARSON: I have no further questions.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Lattu, referring back to Exhibit Number One, the plat shows the well being located thirty-three hundred from the east line and right above that is written in sixteen hundred and eighty-four from the west line. That is the correct location of the well, both of those are correct locations?

A The sixteen, eighty-four that's penciled in above that?

Q Yes.

A I think that was added after it was discovered that this was a slim section.

Q Now, if the section was a standard section, would this not be a legal location centered in this quarter-quarter section?

A Yes, it would have been.

Q The only reason for the application here today is because of the unorthodox size or shape of Section 18?

A Yes.

1 MR. STAMETS: Any other questions of the witness?

2 He may be excused.

3 (THEREUPON, the witness was excused.)

4 MR. STAMETS: Anything further in this case? We

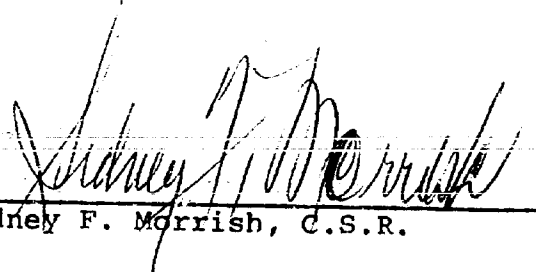
5 will take the case under advisement.

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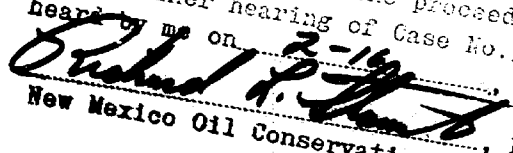
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REPORTER'S CERTIFICATE

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.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5868,
heard by me on 3-14-77, 1977.

Richard R. Thompson, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

DIRECTOR
JOE E. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
March 16, 1977



STATE GEOLOGIST
EMERY C. ARNOLD

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

Re: CASE NO. 5868
ORDER NO. R-5381

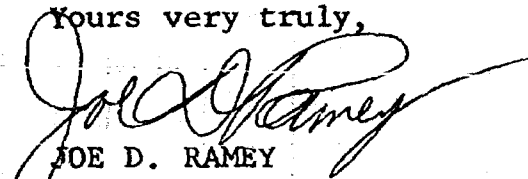
Applicant:

Harvey E. Yates Company

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 ☒
Artesia OCC ☒
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. 5868
Order No. R-5381

APPLICATION OF HARVEY E. YATES
COMPANY 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 February 16, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1977, 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, Harvey E. Yates Company, seeks approval of an unorthodox gas well location for its Travis Deep Unit Well No. 1 to be drilled 1980 feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East, NMPM, to test Wolfcamp and Pennsylvanian formations, Eddy County, New Mexico.

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

(4) That said unorthodox location is necessitated due to a variation in the Public Land Survey.

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

-2-

Case No. 5868
Order No. R-5381

(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 Wolfcamp and Pennsylvanian formations is hereby approved for the Harvey E. Yates Company Travis Deep Unit Well No. 1 to be drilled at a point 1980 feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East, NMPM, Eddy 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 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
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Superseded C-520
Effective 1-1-65

All distances must be from the outer boundaries of the well.

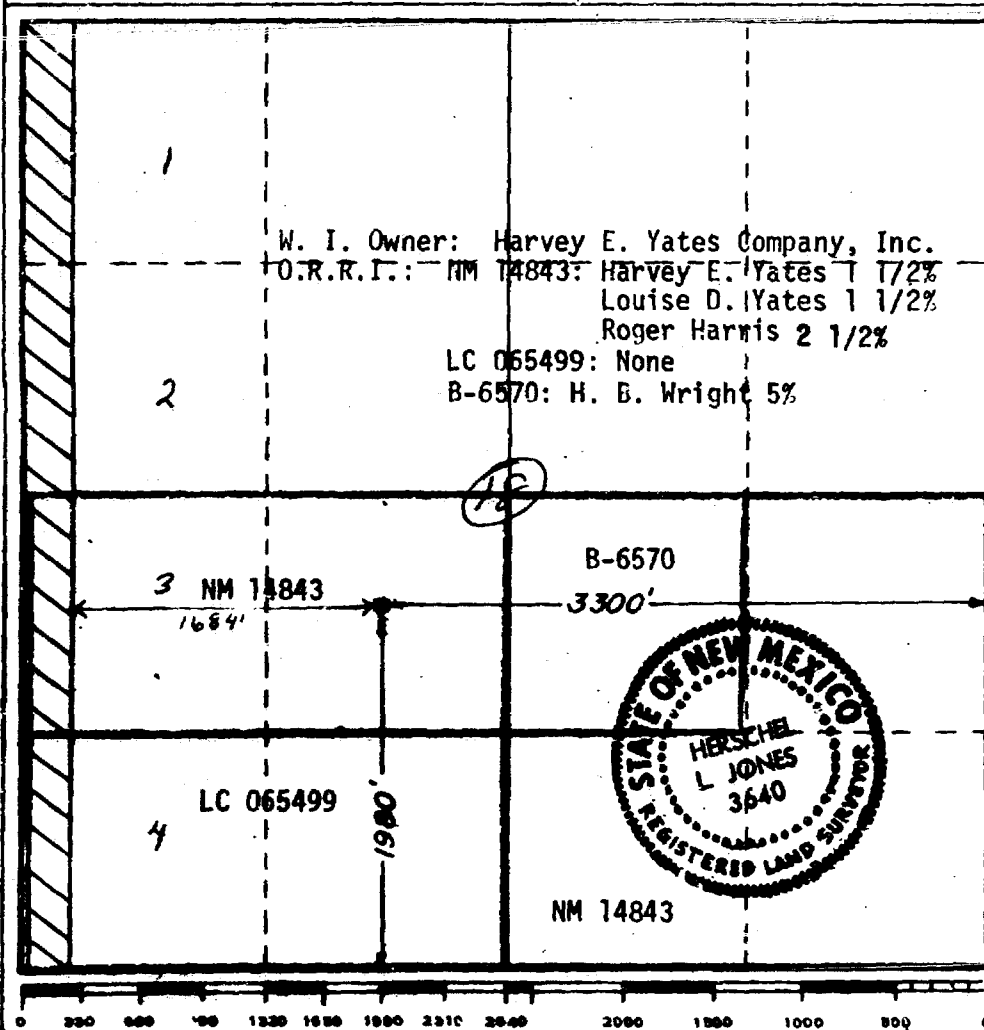
Operator HARVEY E. YATES		Lease TRAVIS DEEP UNIT		Well No. 1
Unit Letter E	Section 28	Township 18 South	Range 29 East	County Doña Ana
Actual Footage Location of Well: 1980 feet from the South line and 3300 feet from the East line.				
Ground Level Elev. 3555	Producing Formation	Pool Undesignated	Dedicated Acreage: 311.05 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and justify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Operating Agreement

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

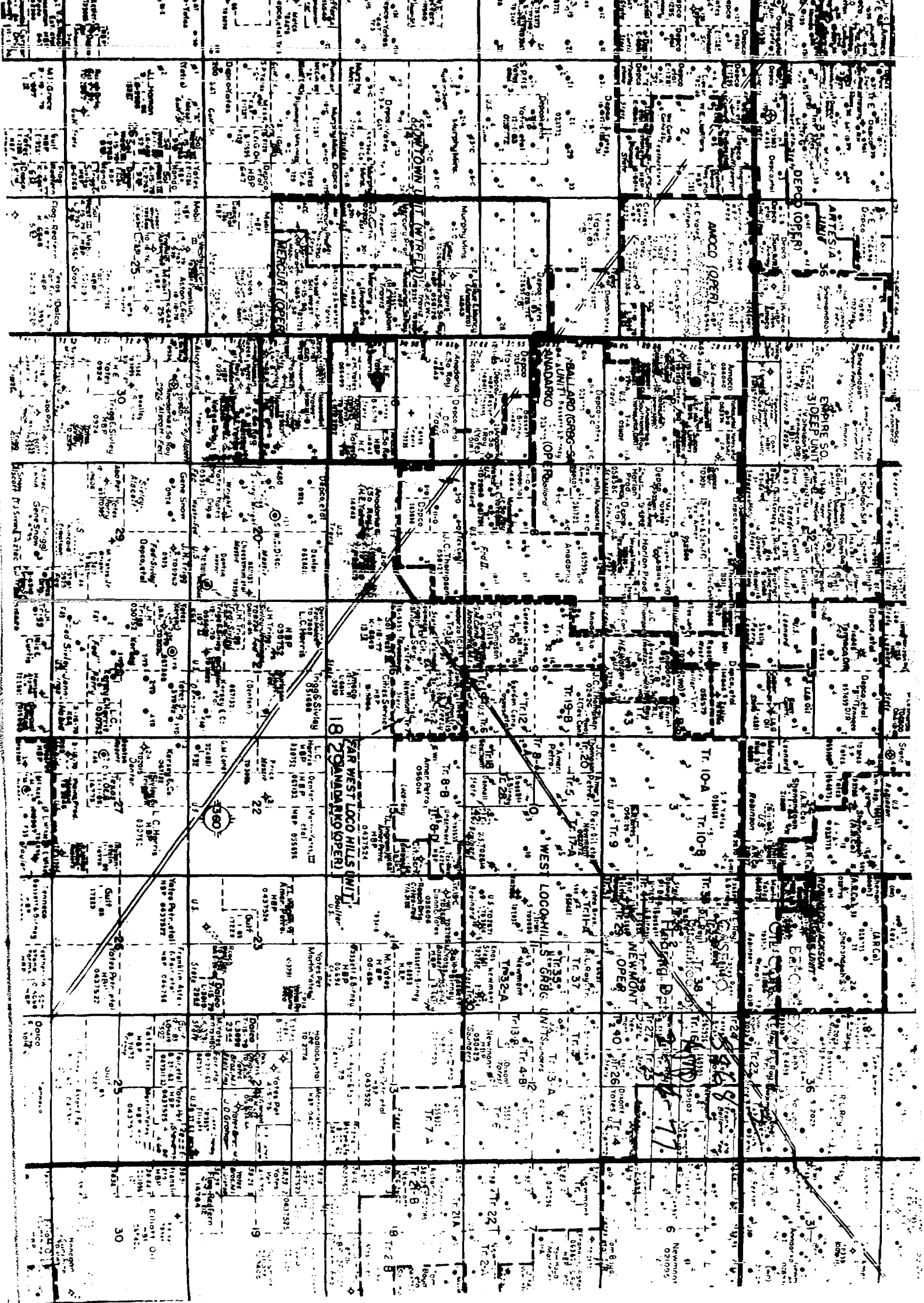
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

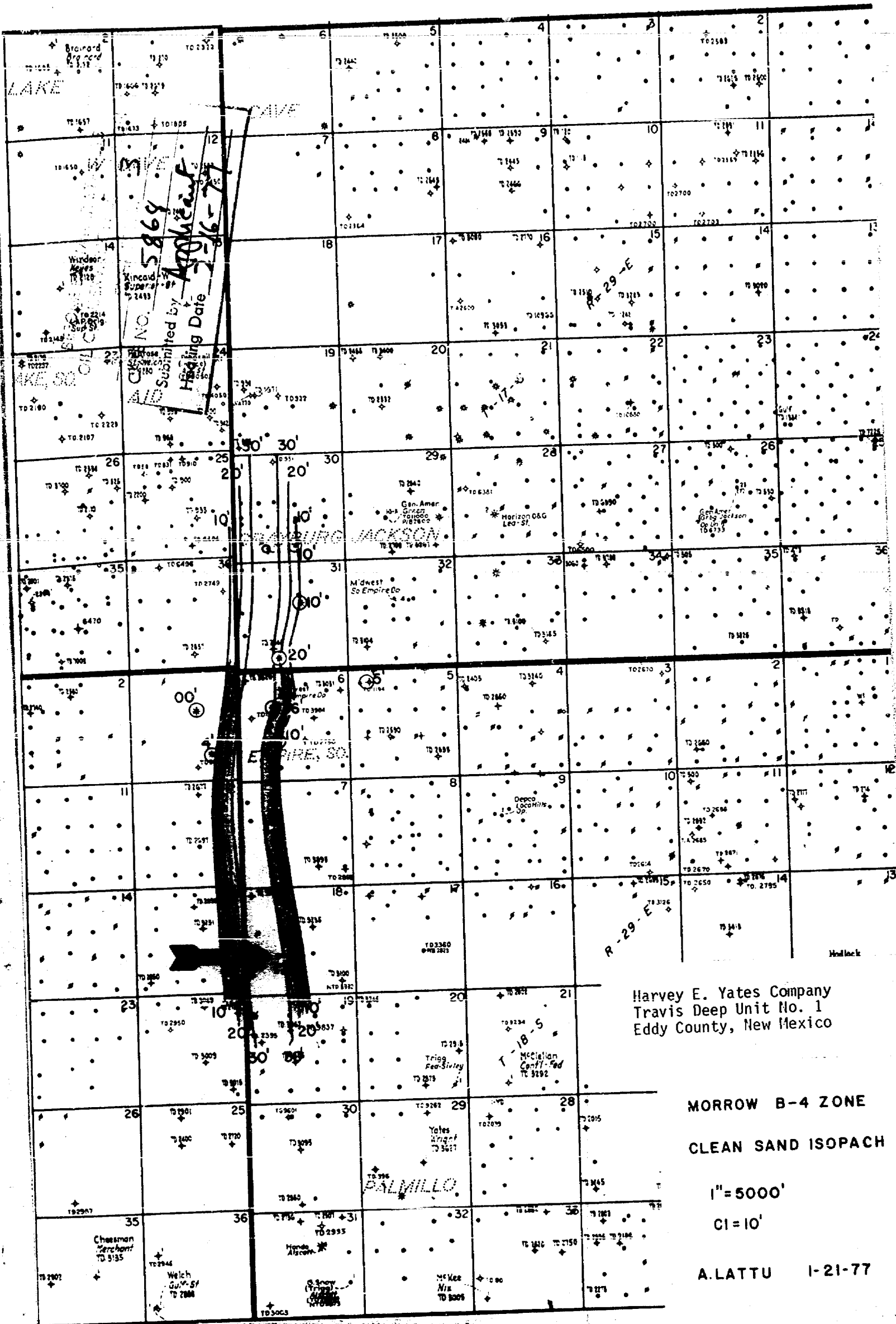
Name Harvey E. Yates
Position Vice President
Company Harvey E. Yates Company, Inc.
Date October 4, 1976

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 9/23/76
Registered Professional Engineer and/or Land Surveyor Herschel L. Jones
Certificate No. 3640

[illegible]





Docket No. 7-77

Dockets Nos. 8-77 and 9-77 are tentatively set for hearing on March 9 and March 23, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - FRIDAY - FEBRUARY 11, 1977

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

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

CASE 5872: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the suspension of Rules 15(A) and 15(B) of the General Rules for Prorated Gas Pools as promulgated by Order No. R-1670, as amended, to permit overproduced wells to continue to produce gas during the present severe weather conditions without danger of being shut in for overproduction.

Docket No. 6-77

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 16, 1977

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. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1977, for both of the above areas.

CASE 5856: Application of Amoco Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Gas Com "F" 1-R Well No. 1A to be drilled 1244 feet from the South line and 820 feet from the East line of Section 33, Township 30 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico.

CASE 5857: Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5858: Application of Union Oil Company of California for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the North Quail Ridge-Morrow Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.

CASE 5859: (This case will be continued and readvertised.)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Easin-Dakota and Blanco-Mesaverde production in the wellbore of its Breech D Well No. 307 located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5860: Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the open hole interval from 4176 feet to 5500 feet of its Hobbs SWD Well No. P-16, located in Unit P of Section 16, Township 19 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

- CASE 5861: Application of Hanson Oil Corporation for a salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open hole interval from 1926 to 1978 feet in its Sulphate Sister Well No. 1, located in Unit E of Section 13, Township 25 South, Range 26 East, Eddy County, New Mexico.
- CASE 5862: Application of Palmer Oil and Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 1 Well No. 1 located 1525 feet from the South line and 820 feet from the East line of Section 1, Township 31 North, Range 13 West, Blanco Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- CASE 5863: Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1590 feet from the West line of Section 29, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.
- CASE 5864: Application of Agua, Inc. for the amendment of Order No. R-5137, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the further amendment of Order No. R-5137, which authorized the disposal of produced salt water into the San Andres formation through the open-hole interval from approximately 4000 feet to 5000 feet in applicant's Blinebry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Blinebry-Drinkard-Langlie Mattix Area, Lea County, New Mexico. Said order, as amended, limited surface injection pressures to 800 psi, and applicant seeks its amendment to permit surface injection pressures up to 1500 psi.
- CASE 5865: Application of Inerco Oil Co. for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.
- CASE 5866: Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 5867: Application of Texas Oil & Gas Corporation 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 S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in completion of said well.
- CASE 5820: (Continued from the February 2, 1977, Examiner Hearing.)
Application of Texas Oil & Gas Corporation 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 W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5868: 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 location of its Travis Deep Unit Well No. 1 to be drilled 1980 feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, the S/2 of said Section 18 to be dedicated to the well.
- CASE 5846: (Continued and Readvertised)
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 location of its Empire South Deep Unit Well No. 13 to be drilled 660 feet from the South line and 1432 feet from the West line of Section 30, Township 17 South, Range 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 5869: 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 location of its Big Boggy Well No. 1 to be drilled 990 feet from the South line and 2080 feet from the East line of Section 36, Township 17 South, Range 26 East, Atoka Pennsylvanian Gas Pool, Eddy County, New Mexico, the S/2 of said Section 36 to be dedicated to the well.

CASE 5870: 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 location of its South Maljamar Deep Unit Well No. 2 to be drilled 990 feet from the South line and 1980 feet from the West line of Section 30, Township 17 South, Range 32 East, Lea County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 5871: 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 Friendly Frenchman Well No. 1 to be drilled 1005 feet from the South line and 660 feet from the East line of Section 32, Township 16 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.

CASE 5810: (Continued from the February 2, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.

CASE 5847: (Continued from the February 2, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Gossett "EU" Well No. 1, located in Unit K of Section 26, Township 17 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from the Lower Wolfcamp or Upper Pennsylvanian and the Lower Pennsylvanian formations through the casing-tubing annulus and tubing, respectively.

CASE 5848: (Continued from the February 2, 1977, Examiner Hearing)

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 Pipkin HE Well No. 1 to be drilled 660 feet from the South and West lines of Section 4, Township 18 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

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

January 19, 1977

Case 5868

Miss Lynn Teschendorf
New Mexico Oil Conservation Commission
Legal Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Miss Teschendorf:

Enclosed for filing, please find three copies each of three applications for Harvey E. Yates Company for unorthodox gas well locations in Eddy County, New Mexico.

We ask that you please set these cases for hearing and that you furnish us with a docket of said hearings. Thank you.

Very truly yours,

LOSEE & CARSON, P.A.



A. J. Losee

AJL:bjm
Enclosures

cc w/enclosures: Mr. George Yates

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF HARVEY E. YATES COMPANY FOR : CASE NO. 5868
UNORTHODOX GAS WELL LOCATION, EDDY :
COUNTY, NEW MEXICO. :
_____ :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY, 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 18 South, Range 29 East, N.M.P.M.

Section 18: S/2

2. Applicant proposes to drill its Travis Deep Unit
No. 1 Well at a location 1,684 feet from the West line and
1,980 feet from the South line of said Section 18 and to
dedicate the S/2 of said Section 18 to the well.

3. Applicant seeks an exception to the well location
requirement 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 S/2 of said Section 18 be dedicated to the Travis Deep
Unit No. 1 Well.

5. That the approval of this application will afford
the 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 permission to drill its Travis Deep Unit No. 1 Well at the above mentioned unorthodox location and to dedicate the S/2 of said Section 18 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.

HARVEY E. YATES COMPANY

By: 

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

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. 5868

Order No. R- 5381

APPLICATION OF HARVEY E. YATES COMPANY
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 February 16, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of February, 1977, 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, Harvey E. Yates Company, seeks
for its Travis Deep Unit Well No. 1 to be drilled
approval of an unorthodox gas well location /1980 feet from the South
line and 1684 feet from the West line of Section 18, Township
18 South, Range 29 East, NMPM, to test
and Pennsylvania formations, Pool,
Eddy 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 ^{is necessitated} will better enable
due to a variation in the Public Land Survey,
applicant to produce the gas underlying the proration unit.

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

Wolfcamp

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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:

The Harry E. Yates

(1) That an unorthodox gas well location for ~~Applicant's~~ *Wolcamp and Permian* Travis Deep Unit Well No. 1 to be drilled formation, is hereby approved for ~~A well to be located~~ at a point 1980

feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East NMPM, Pool, Eddy 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 Commission may deem necessary.

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