CASE 5871: YATES PETROLEOM CORPORATION FOR AN UNORTHODOX GAS NELL LOCATION, EDDY COUNTY, NEW MEXICO

States and the second states of the second states o



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico 2 February 16, 1977 з EXAMINER HEARING Б IN THE MATTER OF: 6 Application of Yates Petroleum Corpora-) CASE tion for an unorthodox gas well loca-5871) 7 tion, Eddy County, New Mexico. 8 0 BEFORE: Richard L. Stamets, Examiner 10 TRANSCRIPT OF HEARING 11 12 APPEARANCES 13 Lynn Teschendorf, Esq. For the New Mexico Oil Legal Counsel for the Commission morrish Conservation Commission: 14 State Land Office Building હૈં Santa Fe, New Mexico 15 <u>Sid</u> 30 Joel M. Carson, Esq. For the Applicant: 22 16 LOSEE & CARSON P.A. Attorneys at Law 300 American Home Building 17 Artesia, New Mexico 18 19 20 21 22 23 24 25

		1	Page INDEX	2		
		2	·····		Page	
, ,		3	RAY BECK			
		4	Direct Examination by Mr. Carson		3	
		5				
		6				
		7				
		8	EXHIBIT INDEX			
	vice do 87501	9		Offered	Admitted	
	301 ViCe Vice 8	10	Applicant's Exhibit One, Plat	4	6	
		11	Applicant's Exhibit Two, Isopach and			2
	reporting r Reporting 8 Santa Fe, N 505) 982-921	12	Structure Map	5	6	
	じてい	13	Applicant's Exhibit Three, Cross Section	6	6	-
	morrißh General Col Mejia, No. 12 Phone	14				
	siđ 825 Calle	15 16				
		17				
		18				
		19				-
		20				
		21				
		22				
		23				
		24				
		25				
1 T 10		H				

3 Page_____ MR. STAMETS: We will call next Case 5871. MS. TESCHENDORF: Case 5871, application of Yates 2 Petroleum Corporation for an unorthodox gas well location, 3 Eddy County, New Mexico. MR. CARSON: Would it be appropriate, Mr. Examiner, 5 to have 5871 and 5848 heard next to each other because they 6 have the same witness? 7 MR. STAMETS: You don't want to consolidate them? 8 MR. CARSON: No, I don't want to consolidate them. 9 **961V1C6** MR. STAMETS: That will be fine, we will take those 10 in order. 11 reporting MR. CARSON: Mr. Examiner, my name is Joel Carson, 12 Losee & Carson P.A., Artesia, New Mexico, appearing here on 13 morrish behalf of the applicant. I have one witness, Mr. Ray Beck, who 14 needs to be sworn. 15 sid (THEREUPON, the witness was duly sworn.) R 16 17 RAY BECK 18 called as a witness, having been first duly sworn, was 19 examined and testified as follows: 20 21 DIRECT EXAMINATION 22 BY MR. CARSON: 23 Mr. Beck, would you state your name and occupation Q. 24 and by whom you are employed? 25

Ray Beck, I live in Artesia, New Mexico, employed A. 1 by the Yates Petroleum Corporation. 2

Page

In what capacity, Mr. Beck? Q.

Geologist. A.

3

7

8

9

12

13

14

15

17

22

23

24

25

Have you previously testified before this Commission Q. 5 and have your qualifications been approved? 6

Yes, sir. A.

> MR. CARSON: Are his qualifications acceptable? MR. STAMETS: They are.

(Mr. Carson continuing.) Mr. Beck, would you please Ç. 10 state the purpose of this application? 11

In Case 5871 Yates Petroleum Corporation seeks Α. appoval of the unorthodox gas well location of its No. 1 Friendly Frenchman Well at a spot one thousand and five feet from the south and six hundred and sixty feet from the east line of Section 32, Township 16 South, Range 26 East, Eddy 16 County, the south half of Section 32 to be dedicated to the well. 18

Mr. Beck, I refer you to Applicant's Exhibit Number 0. 19 One and ask you if that exhibit was prepared by you or under 20 your supervision? 21

> It was prepared under my supervision. A.

Would you explain to the Hearing Examiner what that Q. exhibit shows and what the various colors stand for? Exhibit Number One is a land plat showing the A.

morrish

sid

1 nonstandard location and its relationship to the surrounding 2 leasehold situation?

Page__

A. Yellow acreage is acreage in which Yates has a large
4 interest or all the interest and the pink acreage is acreage
5 in which they have mineral interest.

6 0. I refer you to Applicant's Exhibit Number Two and
7 ask if that was prepared by you or under your supervision?

A. Exhibit Number Two was prepared by me.

9 Q. Would you explain to the Hearing Examiner what that 10 exhibit purports to show?

Exhibit Number Two is a combined isopach and 11 A. structural map showing in solid contours the varying thickness 12 of the Morrow clastics interval and the dotted contours, the 13 structural attitude on the top of the Morrow clastics. The most 14 pertinent relationship to be shown on this exhibit is that 15 the nonstandard location is very near the axis of a Morrow 16 clastics thick and it has been observed in the nearby West 17 Atoka, the Atoka-Penn, and other areas near the sub-crop edge 18 of the Morrow clastics that the Morrow clastics thicks are apt 19 to contain more sand, more of the better performing sand 20 reservoirs. 21

Q. Now I'm referring you to Applicant's Exhibit Number
Three and ask if that exhibit was prepared by you or under
your supervision?

25

8

Mexico 8750

Calle M

825

morrish reporting

sid

A. Exhibit Number Three was prepared by me.

Page 1 Would you explain to the Hearing Examiner what that 0. 2 exhibit purports to show? 3 A. Exhibit Number Three is a cross section running from 4 west-southwest and east-northeast, showing in the transverse 5 section the mapped interval of the previous exhibit, the 6 pertinent correlations and the depth dimension to the previous exhibit. 7 8 Q, Mr. Beck, is it your professional opinion that the 9 granting of this application will afford the applicant the 10 opportunity to produce ics just and equitable share of gas, 11 prevent economic loss caused by the drilling of unnecessary 12 wells and avoid the augmentation of risk arising from the 13 drilling of an excessive number of wells and otherwise prevent 14 waste and protect correlative rights? 15 Yes, I do. A. Calle 3 16 MR. CARSON: I would like to move the introduction of these exhibits, Mr. Examiner. 17 18 MR. STAMETS: The exhibits will be admitted. (THEREUPON, Applicant's Exhibits One through 19 Three were admitted into evidence.) 20 MR. STAMETS: Are there any questions of the witness 21 He may be excused. 22 (THEREUPON, the witness was excused.) 23 MR. STAMETS: Is there anything further in this case 24 25 We will take the case under advisement.

service

reporting

morrish

sid

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. .S.R C sh, Sidney sid morrish reportin General 825 Calle Mejia, No. I bu deropy cartily that the foregoing is a complete record of the prostedings in the Examiner hearing of Case No. ., Examiner New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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



DIRECTOR JOE D. RAMEY LAND COMMISSIONER PHIL R. LUCERO

Re:

STATE GEOLOGIST EMERY C. ARNOLD

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

Applicant:

CASE NO.

ORDER NO.

•••

Yates Petroleum Corporation

5871

R-5383

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. 5871 Order No. R-5383

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 February 16, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this <u>22nd</u> 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for 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, NMPM, to test Wolfcamp and Pennsylvanian formations, Eddy County, New Mexico.

(3) That the S/2 of said Section 32 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.

(5) 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. -2-Case No. 5871 Order No. R-5383

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for Wolfcamp and Pennsylvanian formations is hereby approved for the Yates Petroleum Corporation Friendly Frenchman Well No. 1 to be drilled at a point 1005 feet from the South line and 660 feet from the East line of Section 32, Township 16 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 32 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

Eucon Cla ARNOLD fember

JOE D. RAMEY, Member & Secretary

SEAL

jr/

		13 14-1910 (1)	n - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	up v Talesty wdv:y-ad		1 ii - R 	A116A 64	. الم - ا الم الم - ا	las awie	Her	L L 1	·	to of a former torota	. J	
	i.,		t Press	itan int W.C. Clark etc Trecell Parts	1	<u>(Jehnien</u> Nincy figger St. Scynr	Alt Feri Daca Landers				Not Be Degie Pe	(fle eža) (fle i fla			
		Yntes Peri 1-18-87	her-dikder Toda 10	itu i	land follows, etal	1 5 11 Auf mite		'chana		51. A A	Windial Dog	le Farms Inc.			
		AL Solate GC.	Dayton Reser	ism à rears radi	e tamiy				in the second			•	in he la		23
	1	Yatas Pot. 12 - 30 - 01	Wing Pd.	4 8) 0 (1	REN Wilcire Derless Leun 1 1. ch Romey	Geo Alexand Emmo Me a Biyan Shatm	et fl	(Arighten Namenan Namenan Namenan	JS III.			0		rations following	
•		J W. Sheiver	Yotes Pel A. d. di Wri Pe Pingir	26 1. 12 2. 15	in the full of the former of the second seco	Auren Bres	17 + " + + + + + + + + + + + + + + + + +	ra file	 		Law est the bor	Rot Baglo, elot Baglo Zarms inc	- Mali Bagia atab Kamianca Ban Ca	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	
		hotes Pet 4	Jalen Pet	ин 7 1	AL JEMPHILLIM]	5-11		Citien 5	60		Begte Forms \$-14 - 78	A starting in Tal		3
	=	205	7.5 terry 0 C 6100	1.3 farry 8 6 6199 21 87 3	- 18 Syran Starrage	E.L. Fornell Wim Hudson S.S.M	10 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.		H16		Comis of the lar	•	Recor Steven	3. H. A. B.	1
		6	Manayan S Managan IE - IS BI			WE Nudges	VER SER	1				[,]]]] O	8 26-46 199995499549 199549549549 199549549	A CAN DAY	
- '	•••		Mory B. Hines	Manroe Name	Vila Apper N	Cities Service 7-16-60 81. Mayber		<u> </u>	Stere	16	26 Cori Manua	Pannia	401 Bage 1 . 10-10-10 Au	· ia · ia · a	
		RGHenegen 3 - Ie - 63		N.8 Mark	Cal-Ster Alters	587	ler	Diversion Concerning C		""	J.Brock 2 · 24 - 12				
		YatesPet. 3-7	.60	E Jeffer).ef T A.Crank 33.48 3	_IG H.R. Med/and	2) Pother For	mine etal		21	Exxon + 14 - 79 - 11 - 79	Pennzoil	22	No. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2	
	1 2 2	Mildred & Bern Mrs Exercit & B Huber Carp 	lennes					HRY.		(0 - 1 - 40 12236	Bort Aston etgi		<u>.</u>	615
		Foith Young(N) Theime Heilsto Huber Carp.	Jeres Buck	E Manuara	F Howord	L.E. Brechen, et al Aro & Brei	Melinnystan Cit. Serv. 2-27-76	Everasi etai	Pice K : Pen	01esi	U.S. 10res Fer	Pennzoit 8 - 6 - 79			
		Edith Younging Theime Heliphi Cities Service 8-1-82	James Buck	ALC: NO		6.8. EE Morth		Neilie	12	256,Exson 	1 2 7 Zuitht	12 · 22 · 73		ام میں ہے۔ اس میں جاتا ہے کہ میں ا اگر ان کی کی کی ک	
	5	YetesPet	A. Fairay, Ad. N Yelilar Yotes Pet.		-30 - Contraction	2	19 19 181500	<u>Len/3</u> Екі 1 - 1	- ha	, <u></u>	9 2 Harner -	7	Pennie 2		
		Rerriett de	erns, eret	in di seconda di secon	Augen Marteira	t Senders Nothig Low's	C.C.Smitheast	Jestin	Ref. 8	1997 ; : ; : ; :] E. Caleman.eta	Nava Chel Goorts J.T. Farren	I Small SE	U.S. HW	1	
	1.12	• Pubco 5 • 13 • 50	Gulf 6-1- 84	111 & C.C.	har T.E. Having	There is a fair of a start	A second second	<u>92 m</u>		Penciail 19.79	Permitol	Scorange L. F. 6	Pennzail	· · · · · · · · · · · · · · · · · · ·	1
		6.4492 422 	98	Yotes Pater	7	1 M. Turner S. Ella Saurian		Sonders Automor Tables Ascen Co	N II. Junior II.	12 - 20 - "û #.Bouiy.N.s. Lêl White Lê, Calomon	LLS Smelletel DieELeiemen	13 Smelf 3 C + +++ R & Avage Scarbrage L.F. Sreet	U.S		44
		36	5 FLillie I Laith I N.S.R. g-jacts	10,57 S Yates Perotei t-a-a	3) TE Milan M.I.	Minist Very Charty Maryan Corf. 1/2 11 24-82 7-20-78		fales het	4.33	lavajaRef. 12 - 25 - 76	Pennzall 28 - 65 - O Hologeter - E Holy	A Pennzoit 1-28 80 R.B Hellepetter Paya Helly	Pennzoi 11-18-25 Selmer 11-25-75 Relfer	1.446-4 2	
		÷. Sieł	Yeresoneus Havesing	5. 1 M	ata 3 - 3 - 15 1. Semmens eter	Transidistan	- Library Barris	7.47	CT Fand City of Action	Auto Sett	J.D.Ferguson 6 / 17-96 27459 <i>U.S.</i>	Franzeil 1:22-79 MergM Faller	2 24 80 Che 7 2 House 3	Int / theman	-14
1		36,68 - 848,77 - 348 Yories Per 2 - 7 - 03 16877	13'25 Bat atri			Yansfer . Ref		-LETAde	0	IN THE PERMIT	Amoco 7-11-75	1 22 1 2 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2		All H Cash Rachterre Sert Webberry Strate	
		Burk Roy Kainath Fal	Edin Young Fy. Lymasis	Mo u 1 Mar Mo u 1 Mar Inch 1 Ho 6-1-81 7-1- 14:23 14:23 14:00		n nsst f.				non rist. 12 ntes Pet. 12 12:25-76	10.450 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 CON C hern 4 Pore 13 - 1 - 63 mer her 1994	Dow Chem Palar N. 20-30 Suis Horner SC Neger (1)	E p mont i m : A.T. Moerk Marris	
		C.A. Daufungs No777	Yates Pet, stul ≥ 1-63 14077	e	Seven etal 1.8 Seven Whiteen College	AN PROPERTY OF				L. Antoning Inc. Association March 10, 10, 10, 10, 10, 10, 10, 10, 10, 10,	f a • 74		AT Mult	A 7 Ree/1	
		2.1.0.1 Stude- 16077 Contact	U.S. Yotes Pet	14 Fairey.e	Amore 6-29-78 Amore 6-29-78 fol Whitson College		alinet		ling - lat	2 5 5000	1 1.2	4	Janniel Ir Litzaf Art	ffet 200	
			5-17-01 0439900	16049 Rifa	30-84 Mine Die Terpenning 4 CA	La seen Novorsk	100 FOI ? 11 1	12.11.1	V.	C. # Shere	Raine Ver alle	19.00 19.00 19.00 19.00 19.00 19.00	CraceSmithE	Texas Pocific	
	11		Hall Mt. Artesia Country Club Yestes Pet, etci, 3 - 10 - 81		14 (12:0)-235 (1 	1 5-78	8 8		96	10. 01 9-78	Mortin Totas B A.T. Notik Yarta 4	8.7 Bur 4	12 - 25 - 74	Gren Carrabel	
-					N N		,		Sen fud	TOIDIS	Hayrs Jil. a Dow Chem. La	ļ		Coquina	
		Votes Para		Can Angle	inti	TTT C	1 1	ر القسام	ioguinn 1.53 (9	A Williams	4 - Satana eta - 2199 Det	Trens Facilie Cound T 21 N	¥ 82	
		Autor Ores		is to be		TES	171	8	8022 Yu	tes k			ing Pacific	TOBBOS Port	
		S	5-5-120-5-12		iê	Y3'65 Ee* 9 4 - \$3	t≓ + ^{imstaderCel}	12 COQU 12 C	- BA 10		•	5	1		1
			Action Frey	ALT A			1 70 NT2	Creater Laiss	Coming .	Yates Pet 11 - 1 - 84 10 7546 10 15 17	26	***** ****	NT Neidemen Tesas Pacif 1 - 5 - 80	e 31.7	1
	-	Dute ctu! C.	- 4 4000 2 6.30 - 4 4000 2 6.30 - 12 72 - 12 73 - 10 - 73	0.0000	1.8.		1 J A Nate - 5 5 75 - 5	1	State	/		tates Pet, etal. E. 11. 19	T-+31 Dac-Fie 8 14 78	L.C.Harris H + 21 - 78	
		Tell " City of Arn C.F. No	arear	U.S. Chemplin	Chempiand L South college Riem Seven, or Je 1985 In Seven	1 July	1 ates Per 8 12 m	Armo			Argini (1) Richardon	AL Green Swine G. Conailybar ML. Green	C. Dungon M I.	E P. Bach	
		Verles Net. Ner Wards Witchest Cort.	A 10 00 00 - 210	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		it ing	13 155 04 7 24 44					Turney Ant stat	introtter. (all		
		O. C. C.	17.16.19.10	San 2	9364191 9 30 10 8 30 10 8 10 10 9 8 10 10	A STAL FATTANT	# # Yernhazer						21. 12 Winne Connon e'sl. M. 1. 1. 15. 15.	dwire (.T.a.	Wilson T
3		Tentern C.I	Yister, Pet, etal 1 - 16 - 78 - 28 - 76 1 - 21 - 84	I I III O FU	1.4.4	Lange (Forage	Coyuina 7 27-70 4 W Nornbeker		ا رو ا او در ار -			3.1 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1	R S with R E Housisk E ins fair Rotty Jo Angey Shaw Mi	And	
		"Flint" 2	and the most	4. 19 1.		^{Co} Union Prod. # - 21 - 36	iten Porsta	1 T.	28	5 1 1 1 M	and the second		Lington Moulia	wie forieten	
	T	CU Die	Yntes Pet Ventur	1 NAVOJO R+1	Cu data at a la ta ta nata at a constante	Erewa 1000		î i	784-Facifie 1 - 18 - 78	41	Tes. Hacifie 1 = 12 - 74	delan.y		AT A.]

:

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:

<u>CASE 5872</u>: 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 Danicl S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1977, from seventeen prorated pools in Les, 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 (11 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 Wall 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.
- <u>CASE 5858</u>: 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 Peol, 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 Basin-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.

Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. CASE 5860: 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.

Examiner Hearing - Wednesday - February 16, 1977 -2-

Docket No. 6-77

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.

<u>CASE 5862</u>: 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 1500 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 Inexco 011 Co. for 320-acre spacing, Lea County, New Mexico. Applicant, in the abovestyled 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.

<u>CASE 5866</u>: 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 Ne 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, Nange 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well. Examiner Hearing - Wednesday - February 16, 1977

Docket No. 6-77

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 Nexico. 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.

LAW OFFICES LOSEE & CARSON, P.A. 300 AMERICAN HOME BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO BO210

AREA CODE 505 746-3508

Case 5871

January 17, 1977 \$ 1977 TION COMM.

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

> Re: Friendly Frenchman No. 1 Pipkin "HE" No. 1

Gentlemen:

A.J.LOSEE

JOEL M. CARSON

CHAD DICKERSON

Enclosed for filing, please find three copies each of two applications of Yates Petroleum Corporation for unorthodox well locations in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of the hearing.

Yours truly,

LOSEE & CARSON, P.A. Carson Joel M.

JMC:pv Enclosures

co w/enclosures: 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 COUNTY, NEW MEXICO.

CASE NO. 5871

:

APPLICATION

COMES NOW 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 16 South, Range 26 East, N.M.P.M.

Section 32: S/2

2. Applicant proposes to drill its Friendly Frenchman No. 1 at a location 1,005 feet from the South line and 660 feet from the East line of said Section 32.

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 32 would be dedicated to the Friendly Frenchman 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 Friendly Frenchman No. 1 well and to dedicate the S/2 of said Section 32 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

LOSEE & CARSON, P.A. P.O. Drawer 239 Artesis, 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 5871 Order No. R- 5383 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 February 16 at Santa Fe, New Mexico, before Examiner Richard L. Stamets , 19 77 _day of _February _____, 19_77 , the Commission, NOW, on this 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, <u>Yates Petroleum Corporation</u> for its Friendly Frenchman Well No. 1 to be drilled approval of an unorthodox gas well location/<u>1005</u> feet from the , seeks South line and 660 feet from the East line of Section 32, Township ____, Range _26 _East _, NMPM, to test the Wolfcam P 16 South ennsylvanian formation, Eddy County, New Mexico. (3) That the 5/2 of said Section 32 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:

Eddy

Poot; __

County,

New Mexico.

NMPM, ___

the Votos Petro leum

(2) That the $\frac{S/2}{2}$ of said Section 32 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.