

CASE 6899: YATES PETROLEUM CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

Case No.

6899

Application

Transcripts

Small Exhibits

ETC



BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

June 13, 1980

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Chad Dickerson  
Losee, Carson & Dickerson  
Attorneys at Law  
Post Office Drawer 239  
Artesia, New Mexico 88210

Re: CASE NO. 6899  
ORDER NO. R-6361

Applicant:

**Yates Petroleum Corporation**

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	

**Other**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6899  
Order No. R-6361

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21, 1980,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of June, 1980, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

- (1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks  
approval of an unorthodox gas well location 660 feet from the  
South line and 660 feet from the East line of Section 9, Town-  
ship 17 South, Range 26 East, NMPM, to test the Morrow formation,  
Eddy County, New Mexico.
- (3) That the E/2 of said Section 9 is to be dedicated to  
the well.
- (4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed un-  
orthodox location.

-2-

Case No. 6899  
Order No. R-6361

(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 Morrow formation is hereby approved for Yates Petroleum Corporation for a well to be located at a point 660 feet from the South line and 660 feet from the East line of Section 9, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the E/2 of said Section 9 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

Ed/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor- ) CASE  
ation for an unorthodox gas well loca- ) 6899  
tion, Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For the Applicant:

Chad Dickerson, Esq.  
LOSEE, CARSON, & DICKERSON P.A.  
Artesia, New Mexico

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I N D E X

RANDALL HARRIS

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Stamets 6

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Isopach 4

Applicant Exhibit Three, Cross Section 5

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Page 3

1 MR. STAMETS: We'll call next Case 5899.

2 MR. PADILLA: Application of Yates Petro-  
3 leum Corporation for an unorthodox gas well location, Eddy  
4 County, New Mexico.

5 MR. DICKERSON: Chad Dickerson, on behalf  
6 of the applicant, Mr. Examiner, and I have one witness.

7  
8 (Witness sworn.)

9  
10 RANDALL HARRIS  
11 being called as a witness and having been duly sworn upon his  
12 oath, testified as follows, to-wit:

13  
14 DIRECT EXAMINATION

15 BY MR. DICKERSON:

16 Q Will you state your name and your occupa-  
17 tion and by whom you're employed, please?

18 A My name is Randall Harris. I am an ex-  
19 ploration geologist with Yates Petroleum Corporation.

20 Q Mr. Harris, have you previously testified  
21 before the Oil Conservation Division and had your qualifica-  
22 tions accepted and made a matter of record?

23 A Yes.

24 MR. DICKERSON: Mr. Examiner, we tender  
25 Mr. Harris as an expert geologist.



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Page 4

1 MR. STAMETS: The witness is considered  
2 qualified.

3 Q Mr. Harris, are you familiar with the  
4 purpose of the application before the Commission today?

5 A Yes. The purpose is to -- for approval  
6 of an unorthodox gas well location of its Coll No. 1 Well  
7 at a spot 660 from the south line and east line of Section  
8 9, 17 South, Range 26 East, and the east half of the Section  
9 9 to be dedicated to the well.

10 Q Mr. Harris, will you refer to what is  
11 marked Exhibit Number One and describe what it shows?

12 A Exhibit Number One is a land plat showing  
13 the non-standard location and its relationship to the sur-  
14 rounding leasehold situation.

15 The yellow acreage is 100 percent or less  
16 Yates leasehold. It may be observed that the movement of  
17 the location is towards Yates leasehold interests.

18 Q The exhibit depicts the proposed location  
19 as completely surrounded by Yates acreage?

20 A Yes.

21 Q Mr. Harris, refer to Exhibit Number Two  
22 and describe what it shows, please.

23 A Exhibit Number Two is an Isopach map  
24 showing the varying thickness of the Morrow Clastics inter-  
25 val. The most pertinent relationship to be shown on this

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1 exhibit is that the non-standard location is very near the  
2 axis of the Morrow Clastics thick. It's been observed in  
3 nearby West Atoka, Atoka Penn, and other areas near the sub-  
4 crop edge of the Morrow Clastics that Morrow thicks are apt  
5 to contain more sands and better performing sands reservoirs.

6 Q And what is the significance of the line  
7 connecting the points A and A'?

8 A A and A' is a cross section, Exhibit  
9 Three.

10 Q And refer, please, to Exhibit Three and  
11 describe what it shows.

12 A Exhibit Three is a cross section running  
13 east/west showing the transverse section, the mapped inter-  
14 val of the previous exhibit.

15 The correlation and the depth dimensions.

16 Q Mr. Harris, were Exhibits One, Two, and  
17 Three prepared by you?

18 A Yes, they were.

19 MR. DICKERSON: Mr. Examiner, we'll move  
20 the admission of Exhibits One, Two, and Three into evidence.

21 MR. STAMETS: These exhibits will be ad-  
22 mitted.

23 Q Mr. Harris, in your opinion, will the  
24 granting of this application be in the interest of conserva-  
25 tion, the protection of -- prevention of waste, and the pro-

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1 tection of correlative rights?

2 A Yes.

3 MR. DICKERSON: That's all the questions  
4 we have, Mr. Examiner.  
5

6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q Mr. Harris, what's the status of the  
9 Bolton Well in the northeast quarter of Section 9?

10 A It's a dry hole.

11 Q Was it a dry, dry hole or was it a non-  
12 commercial dry hole?

13 A It was a dry, dry hole.

14 MR. DICKERSON: It's now a water disposal  
15 well.

16 MR. STAMETS: Water disposal well, in this  
17 zone?

18 A No, sir.

19 MR. DICKERSON: No.

20 MR. STAMETS: Okay.

21 Q How much of the east half of Section 9  
22 do you feel is productive of gas in the Morrow zone?

23 A Well, that's a good guess. Probably just  
24 the southwest of the southwest quarter.

25 Southeast of the southeast, I'm sorry.

1 Q 40 acres?

2 A Just about.

3 Q Will the granting of this unorthodox  
4 location cause any damage to correlative rights in the area?

5 A No.

6 Q And Yates is the working interest of all  
7 the offset acreage?

8 A Yes, sir.

9 Q Right? How long have these other wells  
10 been completed in here, the Armstrong and the Hunter?

11 A The Armstrong has been completed for  
12 about a year now, and the Hunter has been -- let's see,  
13 that's been about five, five years; four years.

14 Q So they've had plenty of opportunity to  
15 drain their share of the production --

16 A Yes.

17 Q -- in this reservoir.

18 MR. STAMETS: Are there any other questions

19 of this witness? He may be excused.

20 Anything further in this case?

21 The case will be taken under advisement.

22

23

24

25

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(Hearing concluded.)

# C E R T I F I C A T E

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

**SALLY W. BOYD, C.S.R.**

**Rt. 1 Box 193-B**

**Santa Fe, New Mexico 87501**

Phone (505) 453-7409

I do hereby certify that the foregoing is  
a correct and true copy of the proceedings in  
the above entitled matter of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE PLDG.  
SANTA FE, NEW MEXICO  
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor- ) CASE  
ation for an unorthodox gas well loca- ) 6899  
tion, Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Chad Dickerson, Esq.  
LOSEE, CARSON, & DICKERSON P.A.  
Artesia, New Mexico

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I N D E X

RANDALL HARRIS

Direct Examination by Mr. Dickerson	3
Cross Examination by Mr. Stamets	6

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Isopach	4
Applicant Exhibit Three, Cross Section	5

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Page 3

MR. STAMETS: We'll call next Case 6899.

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

MR. DICKERSON: Chad Dickerson, on behalf of the applicant, Mr. Examiner, and I have one witness.

(Witness sworn.)

RANDALL HARRIS

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name and your occupation and by whom you're employed, please?

A My name is Randall Harris. I am an exploration geologist with Yates Petroleum Corporation.

Q Mr. Harris, have you previously testified before the Oil Conservation Division and had your qualifications accepted and made a matter of record?

A Yes.

MR. DICKERSON: Mr. Examiner, we tender Mr. Harris as an expert geologist.



1 MR. STAMETS: The witness is considered  
2 qualified.

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23 A Well, that's a good guess. Probably just  
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25 Southeast of the southeast, I'm sorry.

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Q Will the granting of this unorthodox location cause any damage to correlative rights in the area?

A No.

Q And Yates is the working interest of all the offset acreage?

A Yes, sir.

Q Right? How long have these other wells been completed in here, the Armstrong and the Hunter?

A The Armstrong has been completed for about a year now, and the Hunter has been -- let's see, that's been about five, five years; four years.

Q So they've had plenty of opportunity to drain their share of the production --

A Yes.

Q -- in this reservoir.

MR. STAMETS: Are there any other questions of this witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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C E R T I F I C A T E

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

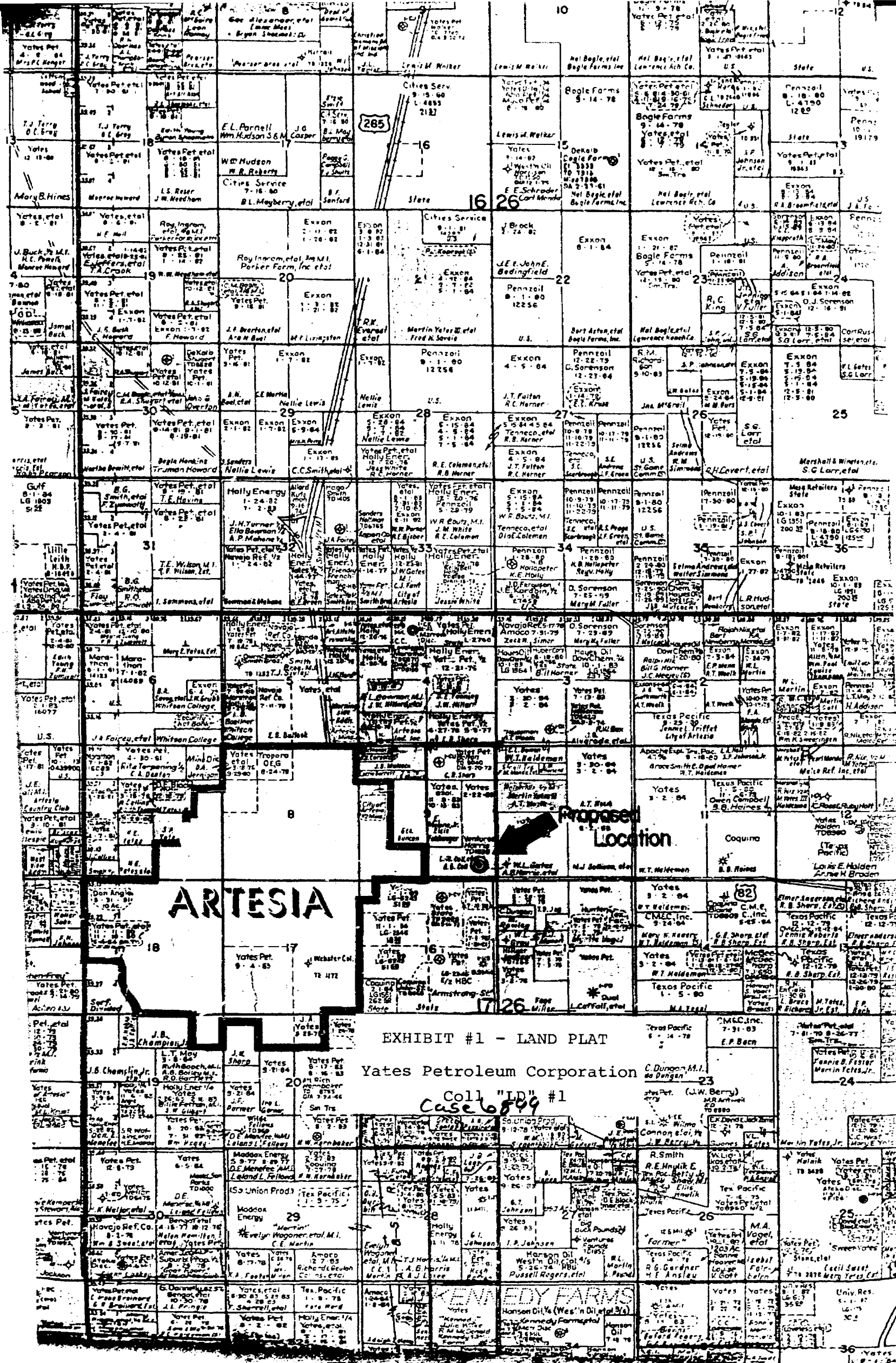
Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a true and correct copy of the transcript in the case of 6899 heard by me on 5-21 1980.  
Richard L. Stewart, Examiner  
 Oil Conservation Division

SALLY W. BOYD, C.S.R.

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 Santa Fe, New Mexico 87501  
 Phone (505) 435-7409

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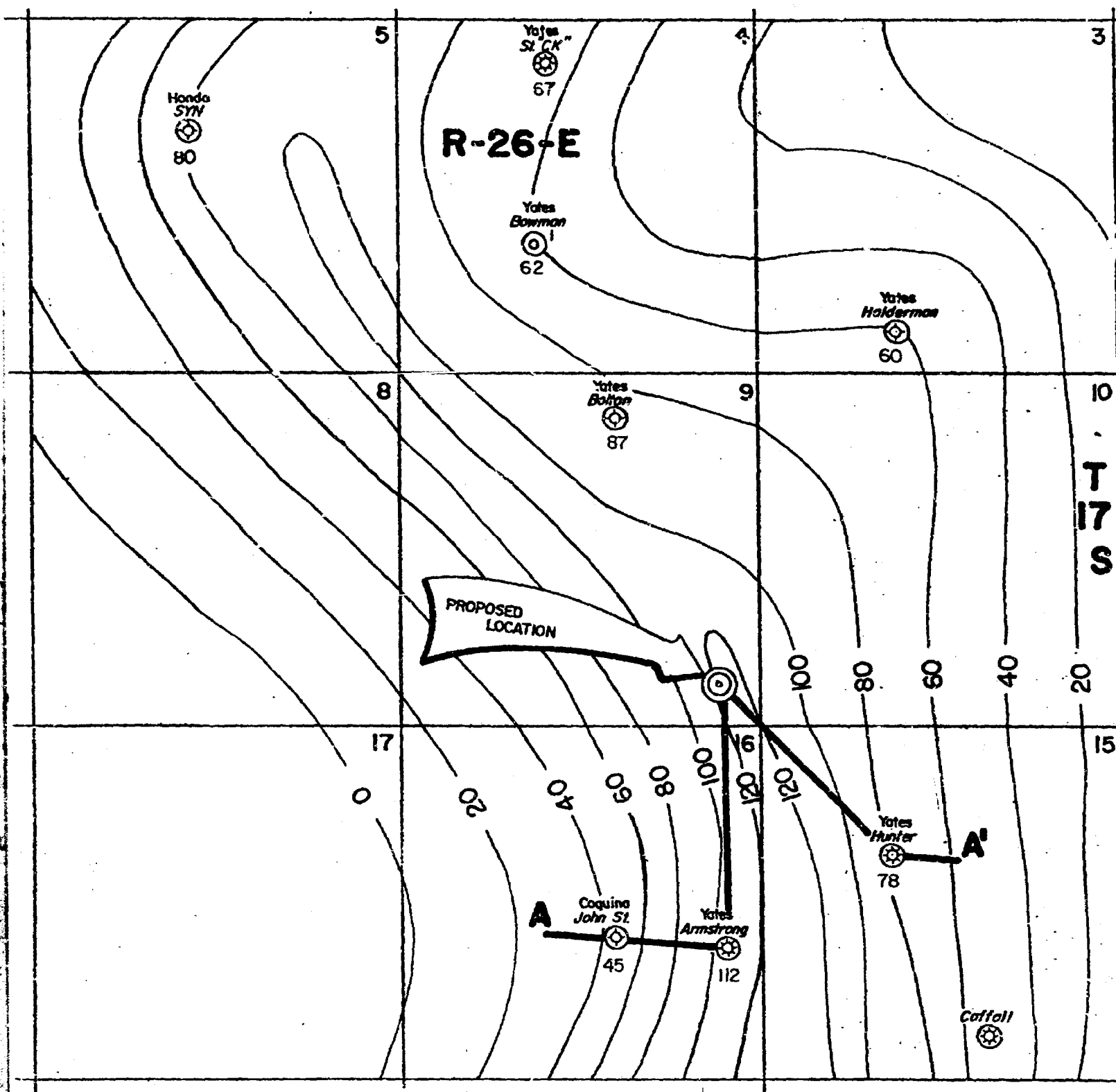
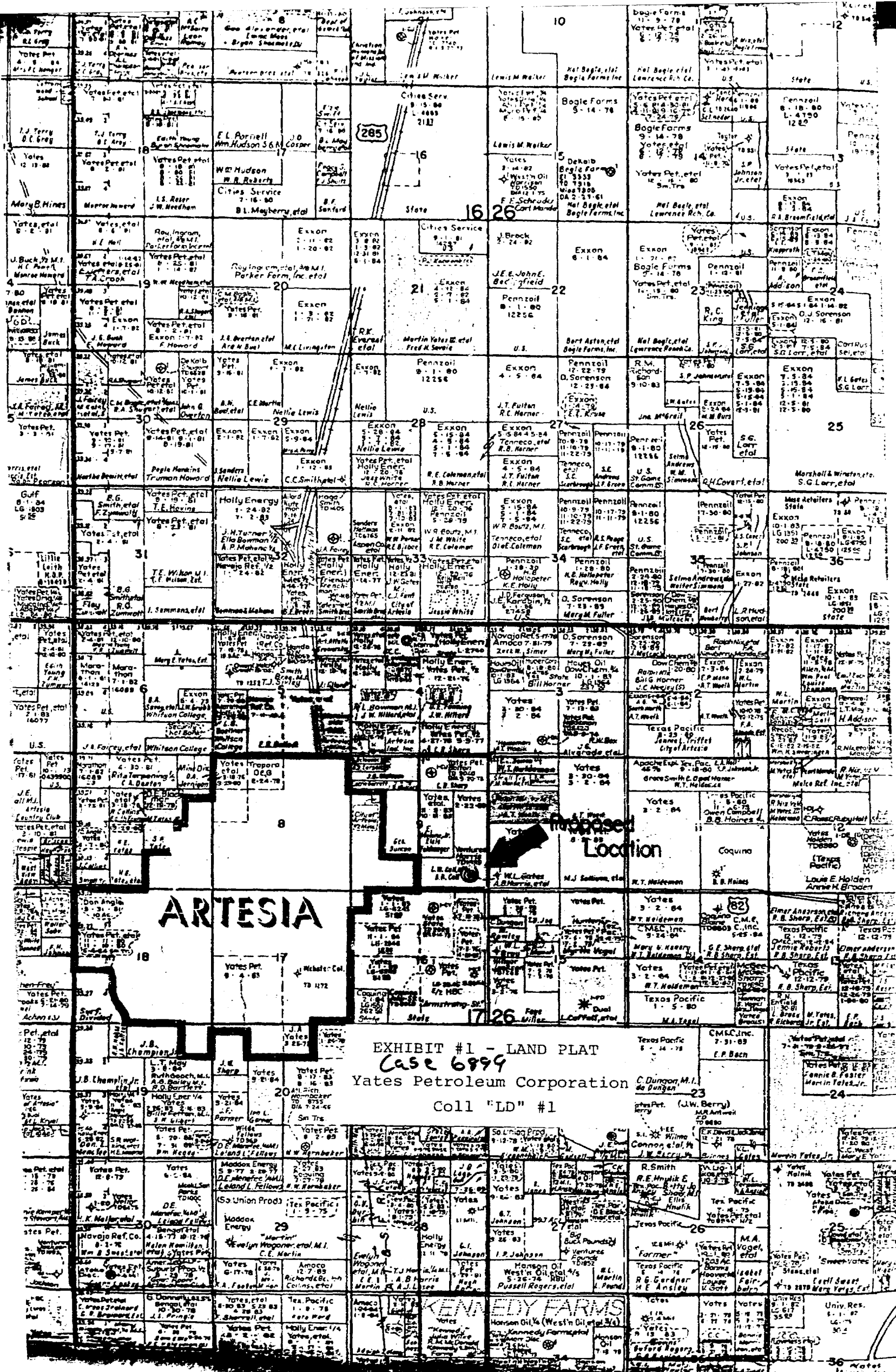


EXHIBIT #2  
ISOPAC MORROW CLASTICS  
Yates Petroleum Corporation  
Coll "LD" #1

**Exhibit 2**  
Case 6899





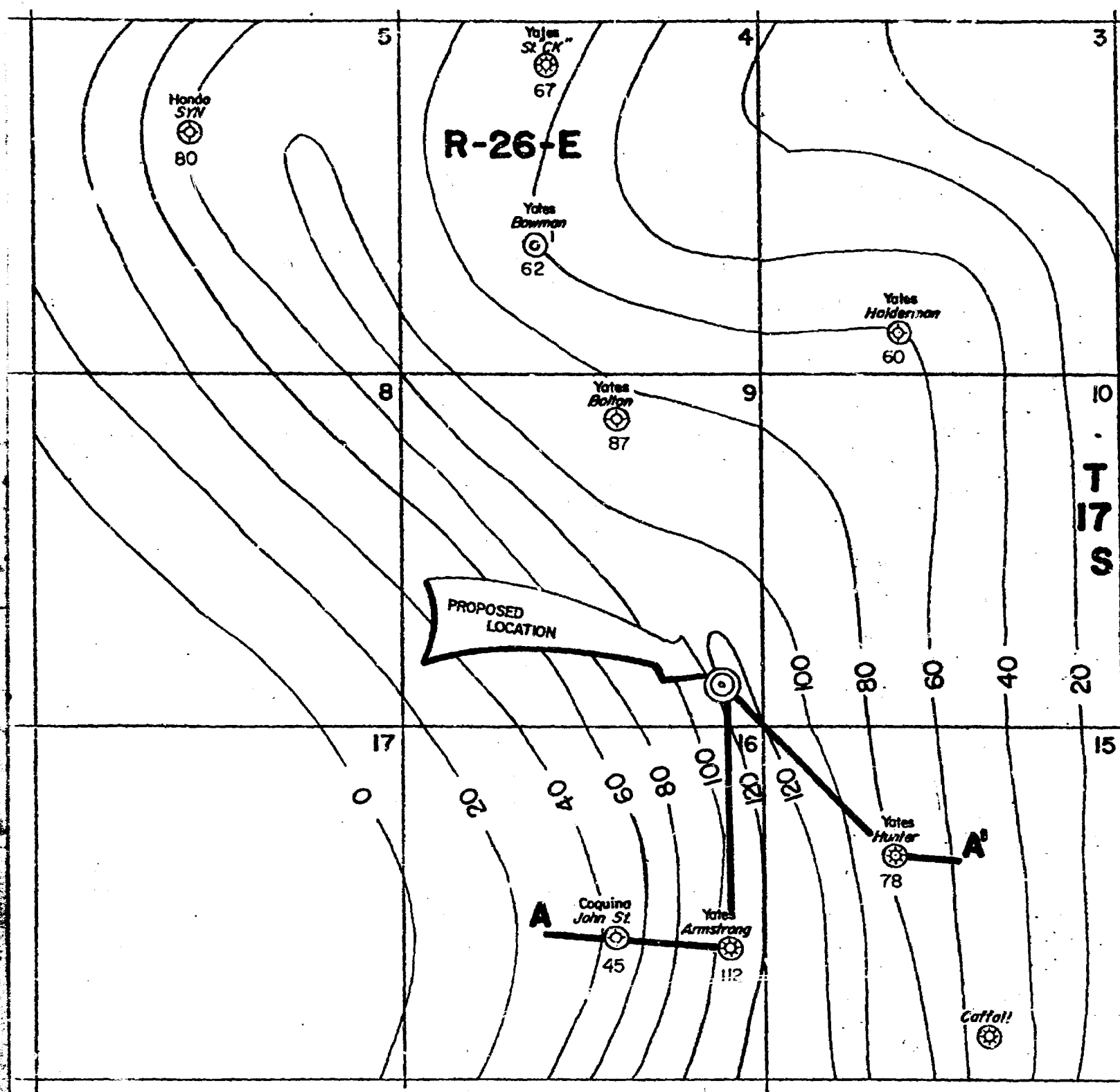
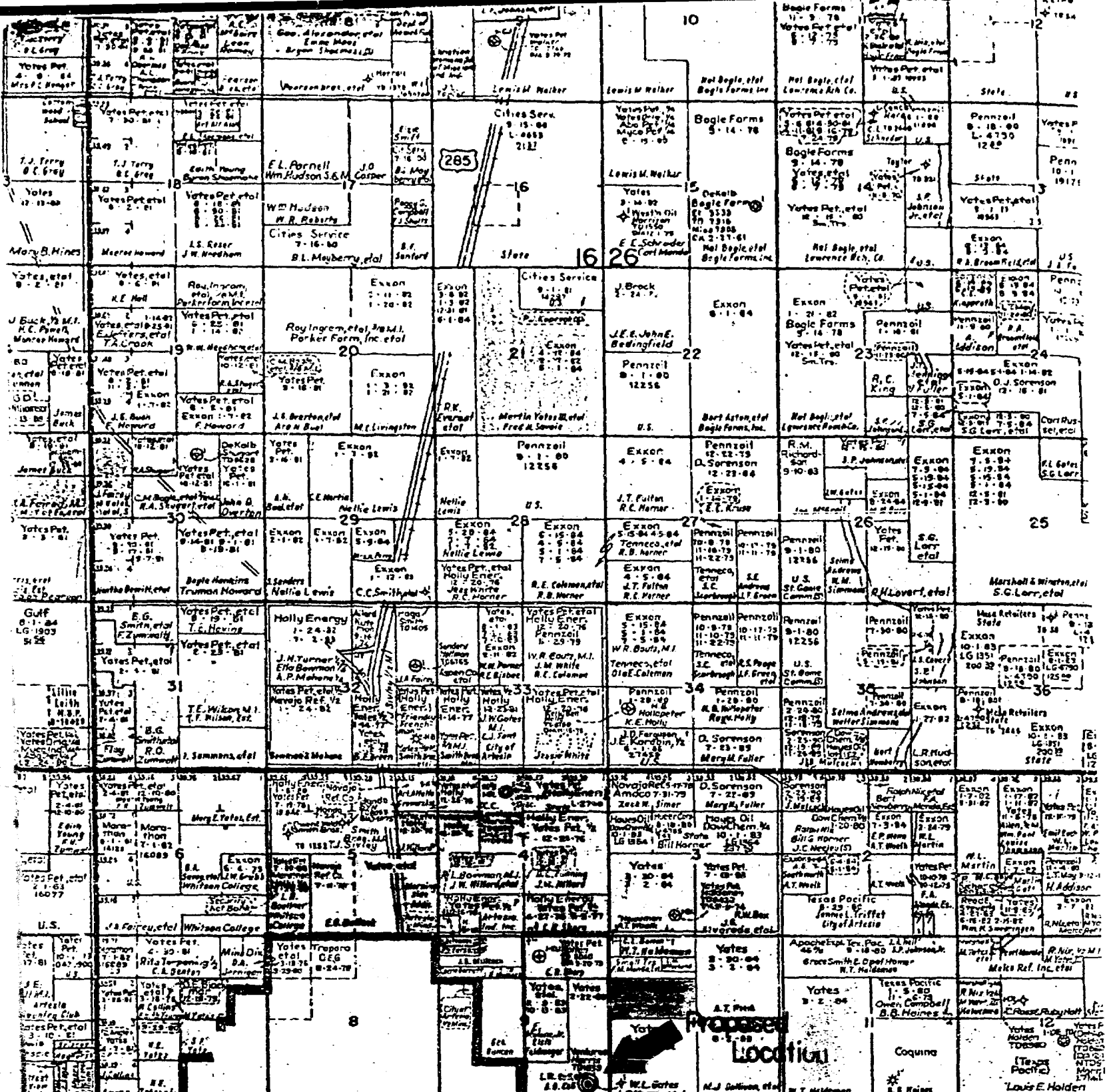


EXHIBIT #2  
ISOPAC MORROW CLASTICS  
Yates Petroleum Corporation  
Coll "LD" #1

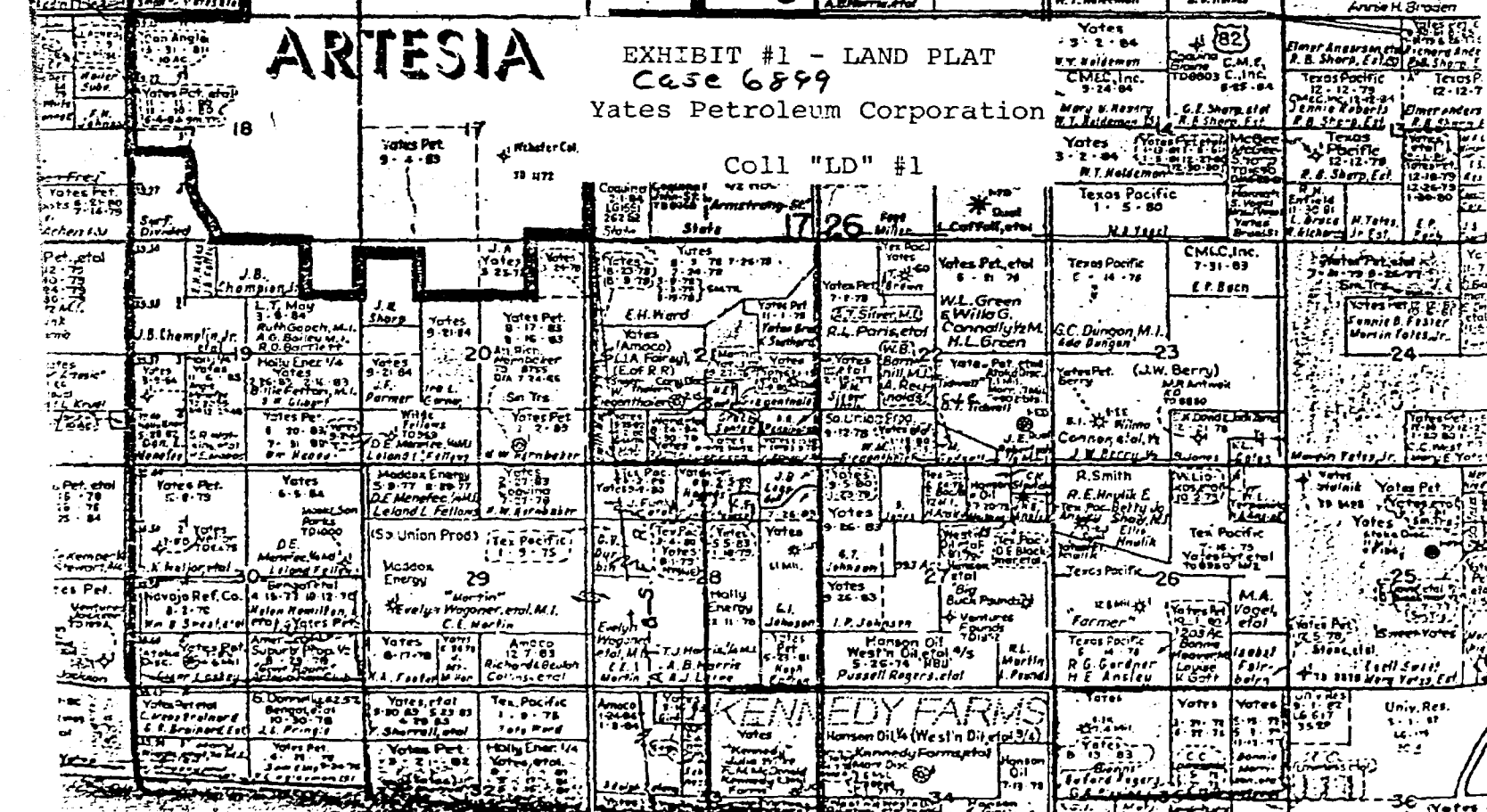
**Exhibit 2**  
Case 6899



# ARTESIA

EXHIBIT #1 - LAND PLAT  
Case 6899  
Yates Petroleum Corporation

Coll "LD" #1



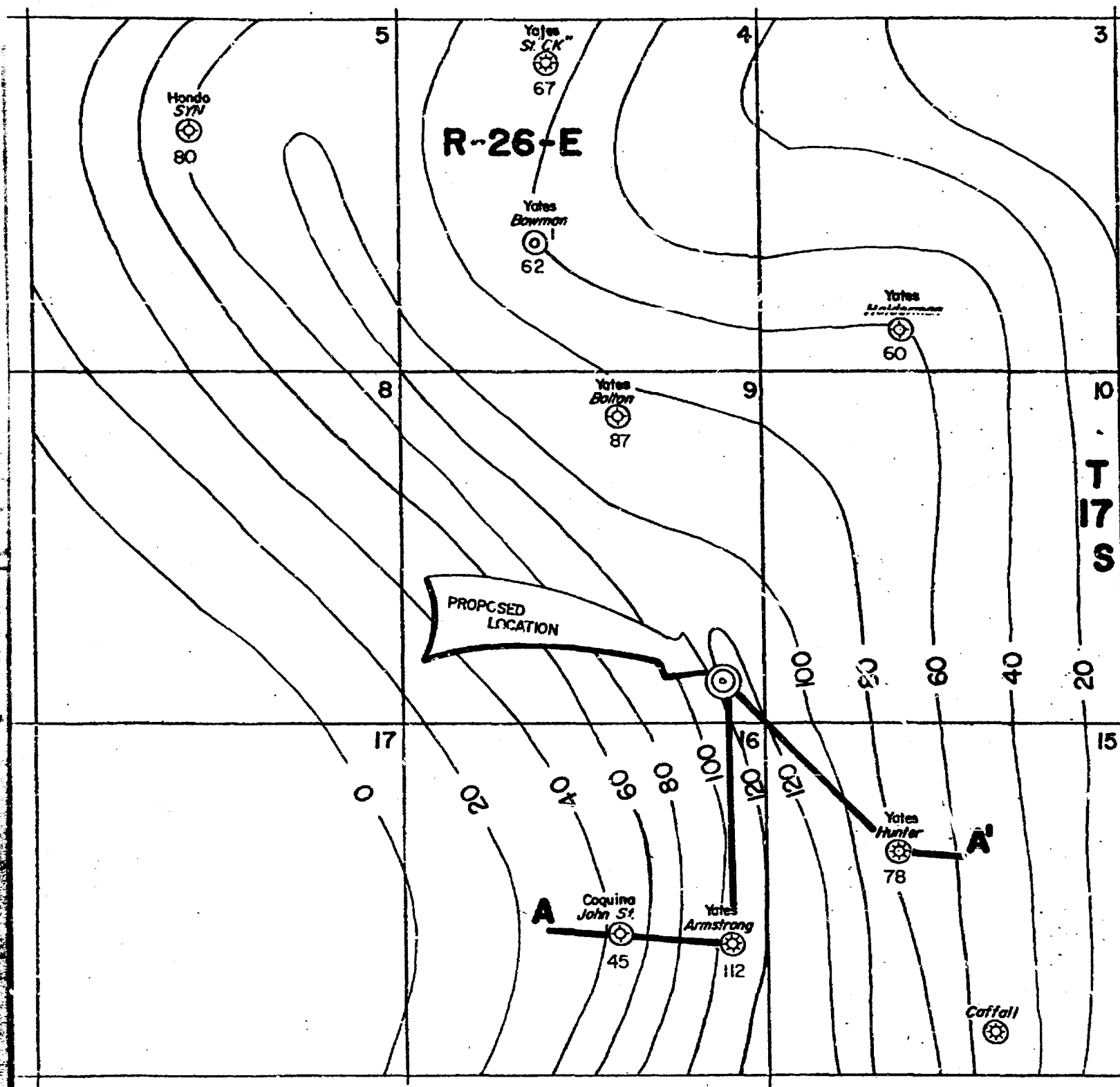


EXHIBIT #2  
ISOPAC MORROW CLASTICS  
Yates Petroleum Corporation  
Coll "LD" #1  
Case 6899

Exhibit 2

Docket No. 14-80

Dockets Nos. 16-80 and 17-80 are tentatively set for June 4 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 20, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6715: (DE NOVO)

Application of Texaco Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Loomis Fed. Well No. 1 to be drilled 1600 feet from the North line and 660 feet from the West line of Section 5, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, the N/2 of said Section 5 to be dedicated to the well.

Upon application of Texaco Inc. and Baas Enterprises Production Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

\*\*\*\*\*

Docket No. 15-80

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 1980

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6891: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6859: (Continued from April 9, 1980, Examiner Hearing)

Application of R & C Drilling 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 a well to be drilled 1890 feet from the North line and 1830 feet from the East line of Section 28, Township 28 North, Range 11 West, Kutz-Fruitland Pool, the NE/4 of said Section 28 to be dedicated to the well.

CASE 6886: (Continued from May 7, 1980, Examiner Hearing)

Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, 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 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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 6884: (Continued from May 7, 1980, Examiner Hearing)

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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 6892:** Application of Merriam & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the South Blanco-Pictured Cliffs Pool underlying the SW/4 of Section 27, Township 24 North, Range 2 West, 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 6878:** (Readvertised)

Application of Stevens Oil Company for a non-standard gas proration unit and unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 at an unorthodox location 1650 feet from the South line and 2310 feet from the West line of said Section 25.

**CASE 6893:** Application of Stevens Oil Company to amend Order No. R-5353, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a revision of the special rules for the Twin Lakes-San Andres Associated Pool as promulgated by Order No. R-5353 to provide that each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150 feet of the center of the quarter-quarter section.

**CASE 6894:** Application of Sun Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jennings-Federal "B" Well No. 1, a Yates test to be drilled 2440 feet from the South line and 2290 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk Field, the NE/4 SW/4 to be dedicated to the well.

**CASE 6895:** Application of Sun Gas Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings at the drilling of its J. A. Akens Well No. 10 located in Unit N of Section 3, Township 21 South, Range 36 East, was necessary to effectively and efficiently drain that portion of an existing proration unit which could not be drained by the existing well.

**CASE 6896:** Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

**CASE 6897:** Application of McClellan Oil Corporation for two compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 1200 feet below the surface to the base of the Abo formation underlying the SW/4 and the SE/4 of Section 30, Township 6 South, Range 26 East, each to be dedicated to a proposed gas well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells 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 wells and a charge for risk involved in drilling said wells.

**CASE 6898:** Application of Conoco Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Meyer B-28 Well No. 4 to be drilled 560 feet from the North line and 1980 feet from the West line of Section 28, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Meyer B-28 Well No. 1 in Unit G to the NE/4 and E/2 NW/4 of said Section 28.

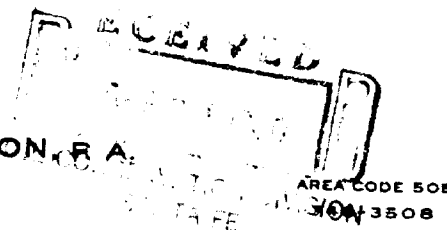
**CASE 6899:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 9, Township 17 South, Range 26 East, the E/2 of said Section 9 to be dedicated to the well.

**CASE 6900:** Application of Yates Petroleum Corporation for a non-standard oil proration unit, unorthodox well location, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the N/2 SE/4 of Section 22, Township 16 South, Range 33 East, Kemnitz Field, to be dedicated to its Sombrero "MS" State Well No. 1 at an unorthodox location 1650 feet from the South and East lines of said Section 22. Applicant also seeks approval for the downhole commingling of Wolfcamp and Cisco production in the wellbore of said well.

- CASE 6901: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. 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 6902: Application of Harvey E. Yates Company for a dual completion, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Young Deep Unit Well No. 1 located in Unit D of Section 10, Township 18 South, Range 32 East, to produce gas from the Morrow formation and oil from the Bone Springs formation thru parallel strings of tubing.
- CASE 6903: 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 a Pennsylvanian-Mississippian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 6904: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.
- CASE 6905: Application of Harvey E. Yates Company for a unit agreement, Chaves County, New Mexico.  
Applicant, in the above-styled cause, seeks approval for the Buffalo Lake Unit Area, comprising 2,560 acres, more or less, of Federal, State, and fee lands in Township 15 South, Range 27 East.

A.J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON  
DAVID R. VANDIVER

LAW OFFICES  
LOSEE, CARSON & DICKERSON, P.A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210



April 23, 1980

Mr. Joe D. Ramey, Director  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 6899*

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an "unorthodox gas well" location 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 said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

*Chad Dickerson*  
Chad Dickerson

CD:pvm  
Enclosures

cc: Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE NO. 6899  
COUNTY, NEW MEXICO :  
:

APPLICATION

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

1. Applicant is the operator of the Morrow formation underlying:

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

Section 9: E/2

and proposes to drill its Coll "LD" No. 1 Well at a point located 660 feet from the south line and 660 feet from the east line of Section 9.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 9 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. 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 Division enter its order granting applicant permission to drill its Coll "LD" No. 1 Well 660 feet from the south line and 660 feet from the east line of said Section 9, and to dedicate the E/2 of Section 9, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

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

YATES PETROLEUM CORPORATION

By   
Chad Dickerson

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

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION  
OF THE 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. 6899

APPLICATION

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1. Applicant is the operator of the Morrow formation underlying:

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

Section 9: E/2

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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 Division enter its order granting applicant permission to drill its Coll "LD" No. 1 Well 660 feet from the south line and 660 feet from the east line of said Section 9, and to dedicate the E/2 of Section 9, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

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

YATES PETROLEUM CORPORATION

By: \_\_\_\_\_  
Chad Dickerson

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

Attorneys for Applicant

REPORT THE OIL CONSERVATION DIVISION  
OF THE 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. 6899

APPLICATION

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

1. Applicant is the operator of the Morrow formation underlying:

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

Section 9: E/2

and proposes to drill its Coll "LD" No. 1 Well at a point located 660 feet from the south line and 660 feet from the east line of Section 9.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 9 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. 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 Division enter its order granting applicant permission to drill its Coll "LD" No. 1 Well 660 feet from the south line and 660 feet from the east line of said Section 9, and to dedicate the E/2 of Section 9, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

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

YATES PETROLEUM CORPORATION

By: \_\_\_\_\_  
Chad Dickerson

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

Attorneys for Applicant

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6899

ORDER NO. R- 6361

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21,  
1980, at Santa Fe, New Mexico, before Examiner Richard L. Stames

NOW, on this        day of May, 1980, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

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

(2) That the applicant, Yates Petroleum Corporation,  
seeks approval of an unorthodox gas well location 660  
feet from the South line and 660 feet from the  
East line of Section 9, Township 17 South  
Range 26 East, NMPM, to test the Morrow  
formation,        Pool, Eddy  
County, New Mexico.

(3) That the E/2 of said Section 9 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:

(1) That an unorthodox gas well location for the Morrow  
*for Yates Petroleum Corporation*  
formation is hereby approved for a well to be located at a point 660  
feet from the South line and 660 feet from the East  
line of Section 9, Township 17 South, Range 26 East  
NMPM, \_\_\_\_\_ Pool, Eddy County,  
New Mexico.

(2) That the E/2 of said Section 9 shall be dedicated to the above-described well.

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

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