



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION :  
FOR TIGHT FORMATION DESIGNATION, : CASE NO. 7352  
EDDY COUNTY, NEW MEXICO :  
:

AMENDED APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and states:

1. Applicant is the owner of interests in the Permo-Penn formation underlying portions of the lands described in Exhibit "A" attached hereto and incorporated by reference. For purposes hereof, the Permo-Penn formation is defined as that interval between the top of the marker named the Third Sister Cycle of the Wolfcamp Series of the Permian System, and the top of the Canyon Series of the Pennsylvanian System.

2. Said formation underlying the lands described in Exhibit "A" is expected to have an average in situ gas permeability throughout the pay section of 0.1 millidarcy or less.

3. The average depth to the top of said formation is 5,827 feet. The stabilized production rate, either at atmospheric pressure or calculated against atmospheric pressure of wells completed for production in the formation without stimulation, is not expected to exceed 188 MCF of gas per day.

4. No well drilled into said formation underlying the lands described on Exhibit "A" is expected to produce more than five barrels of crude oil per day prior to application of stimulation techniques or processes.

WHEREFORE, Applicant prays that the Division enter its Order recommending to the Federal Energy Regulatory Commission that, pursuant to Section 107 of the Natural Gas Policy Act of 1978, and 18 C.F.R. §271.701, the Permo-Penn Reservoir underlying the lands described in Exhibit "A" be

designated as a tight formation, together with such other and further relief as the Division deems proper.

YATES PETROLEUM CORPORATION

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EXHIBIT "A"

Township 17 South, Range 24 East, N.M.P.M.

All Sections

Township 17 South, Range 25 East, N.M.P.M.

All Sections

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

All Sections

Township 18 South, Range 24 East, N.M.P.M.

All Sections

Township 18 South, Range 25 East, N.M.P.M.

All Sections

Township 19 South, Range 23 East, N.M.P.M.

All Sections

Township 19 South, Range 24 East, N.M.P.M.

All Sections

Township 19 South, Range 25 East, N.M.P.M.

All Sections

Township 20 South, Range 21 East, N.M.P.M.

All Sections

Township 20 South, Range 23 East, N.M.P.M.

All Sections

Township 20 South, Range 24 East, N.M.P.M.

All Sections

Township 20-1/2 South, Range 21 East, N.M.P.M.

All Sections

Township 20-1/2 South, Range 22 East, N.M.P.M.

All Sections

Township 21 South, Range 21 East, N.M.P.M.

All Sections

Township 21 South, Range 22 East, N.M.P.M.

All Sections

Township 22 South, Range 21 East, N.M.P.M.

Sections 1 through 12

Township 22 South, Range 22 East, N.M.P.M.

Sections 1 through 12

in Eddy County, New Mexico.

CASE 7359: Application of Energy Reserves Group for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico.

Applicant, in the above-styled cause, seeks creation of a new Cisco gas pool for its Miller Com Well No. 1, located in Unit M of Section 12, Township 6 South, Range 33 East.

Applicant further seeks approval of an unorthodox location for its Miller "A" Well No. 1-Y, to be drilled 1800 feet from the South line and 1700 feet from the East line of Section 11 of the same township. The S/2 of said Section 11 to be dedicated to the well.

CASE 7345: (Continued from September 9, 1981, Examiner Hearing)

Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Lovington Penn Pool underlying the N/2 NE/4 of Section 13, Township 16 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7360: Application of L. J. Buck for salt water disposal, Lea County, New Mexico.

Applicant, in the above-styled cause seeks authority to dispose of produced salt water into the Seven Rivers formation in the interval from 3221 feet to 3250 feet in his Monco Well No. 2 in Unit M of Section 25, Township 25 South, Range 36 East.

CASE 7352: (Continued from September 9, 1981 Examiner Hearing)

Application of Yates Petroleum Corporation for designation of a tight formation, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 107 of the Natural Gas Policy Act 18-CFR Section 271.701-705, seeks the designation as a tight formation of the Permo-Penn and formation underlying all of the following townships:

Township 17 South, Ranges 24 thru  
26 East;

18 South, 24 and 25 East;

19 South, 23 thru 25 East;

20 South, 21 thru 24 East;

20 1/2 South, 21 and 22 East;

21 South, 21 and 22 East;

Also Sections 1 thru 12 in  
22 South, 21 and 22 East,

All of the above containing a total of 315,000 acres more or less.

CASE 7329: (Readvertised)

Application of Loco Hills Water Disposal Company for an exception to Order No. R-3221, Eddy County, New Mexico

Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in the N/2 SW/4 SW/4 of Section 16, Township 17 South, Range 30 East.