

· Mach

Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>1</u>

Submitted by: Yates Petroleum Corporation

#### BEFORE THE

#### OIL CONSERVATION DIVISION

#### NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR EXTENSION OF THE VERTICAL LIMITS OF THE SAND SPRINGS-ATOKA GAS POOL AND FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

**CASE NO. 12128** 

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION
TO ACCOMMODATE THE REDEDICATION
OF ACREAGE FOR GEOLOGIC REASONS,
LEA COUNTY, NEW MEXICO.

CASE NO. 12130

#### **AFFIDAVIT**

STATE OF NEW MEXICO	)
	) ss
COUNTY OF SANTA FE	)

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F. Carr

SUBSCRIBED AND SWORN to before me this 34 day of March, 1999.

Notary Public

My Commission Expires:

#### EXHIBIT A

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

Bogle Farms Ltd. Post Office Box 398 Tatum, NM 88267

for Oil Conservation Division Case 12128

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

for Oil Conservation Division Case 12130

### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe. New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>2</u>

Submitted by: Yates Petroleum Corporation

Hearing Date: April 1, 1999

AFFIDAVIT, Page 2

## CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE

SUITE I - 110 NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043

E-MAIL: ccbspa@ix.netcom.com

January 28, 1999

#### <u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Re:

Application of Yates Petroleum Corporation for Extension of the Vertical Limits of the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New

Mexico

#### Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application has been set for hearing before a Division Examiner on February 18, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc:

Mr. Randy Patterson

Mr. Dave Pearson

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

	Postage	\$ .33 1.40	
	Certified Fee	1,40	
	Special Delivery Fee		
-	Restricted Delivery Fee		
April 1995	Return Receipt Showing to Whom & Pats Gellvesed	1,25	
	Reparco Raceint Showing of Whom Day Addresses Address		
00	701XL Postage & Frequ	\$ 2.98	
Form <b>3800</b> ,	Postmark or Date		0
PS.	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		036

													<b>9</b> ?
PS Form <b>3811,</b> December 1994	6. Signature: (Addressee.or, Agent)	5. Received By: ( <i>Print Name</i> )	7		1801 West Second Street	Manzano Oil Corporation	3. Article Addressed to:	<ul> <li>The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>	permit  Write "Return Receipt Requested" on the mailpiece below the article number	<ul> <li>Attach this form to the front of the mailpiece, or on the back if space does not</li> </ul>	■ Print your name and address on the reverse of this form so that we can return this	■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b.	SENDER:
132595-98:B-0220 Domestic Return । तट्याना :		Addressee's Address (Only if requested and fee is paid)	7. Date of Delivery 2 - (	Return Receipt for Merchandise COD	Certified	4b Service Type	4a. Article Number Z 559 572 300	Consult postmaster for fee.	2.   Restricted Delivery	1. Addressee's Address	extra fee):	following services (for an	I also wish to receive the

US Postal Service
Receipt for Certified Mail

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

	_	Г	73	$\neg$
	Postage	\$_	.33	
	Certified Fee		1.40	
	Special Delivery Fee			
ហ	Restricted Delivery Fee			
199	Return Receipt Showing to Whom & Date Deliver &		1.25	
, Apri	Return Receipt Showing to Mapri, Date, & Addresse's Address		\	
800	TOTAL Postage & Fees	B	2.98	
က	Postmark or Date		T	
PS Form <b>3800</b> , April 1995		3	/	66

Is	your <u>R</u> E	TURN	ADD	RESS comple	ted or	the reve	erse side?
PS Form <b>3811</b> , December 1994	6. Signature (Addressee or Agent)	5. Received By: (Print Name)		Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201	3. Article Addressed to:	Amount has born to the front by the manipece, or but no back in space become permit.  Write "Heturn Receipt will show to whom the anticle was delivered and the date delivered.	SENDER:  Complete items 1 and/or 2 for additional services.  Complete items 3 4a, and 4b.  Complete items 3 4a, and 4b.  Print your name and address on the reverse of this form so that we can return this card to you.  Attack this form to the front of the madeless of you but hack if grace these not
ത്തുട്ടെക്ക് നിന്നുക്കാന് Return Receipt	T	8. Addressee's Address (Only if requested and fee is paid)	7. Date of Delivery	Dertified nsured	4a. Article Number Z 559 572 301	CC	I also wish to receive the following services (for an extra fee):  1  Addressee's Address

US Postal Service
Receipt for Certified Mail

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

	Postage	\$ 133	
	Certified Fee	1.40	
	Special Delivery Fee		
10	Restricted Delivery Fee	D.C.	
April 1995	Return Receipt Shewing to Whom & Date Delivered	NAT 125	
Apri	Return Receipt Showing to Whom, Date, & Address of Shoriess	0000	
800	TOTAL Postage & Fees	\$ 2.48	
E 3	Postmark or Date	30	
PS Form <b>3800</b> ,	ું હું	75.7	6
مَ			~

Is your <u>RE</u>	TURN	I ADDI	RESS	com	ple	ted on	the	e re	ver	se :	side?
R. Signaturo: (Addressee or Agent)  X  PS Form <b>3811</b> , Necember 1994	5. Received By: (Print Name)		Midland, TX 79702	Cli Ellergy, Inc.	<del>, , , , , , , , , , , , , , , , , , , </del>	3. Anicle Addressed to:	■ The Heturn Receipt will show to whom the article was delivered and the date delivered.	■ Write "Return Receipt Requested" on the malipiece below the article number	■ Attach this form to the front of the mailpiece or on the back if space does not	Print your name and address on the reverse of this form so that we can return this	SENDER:  -Complete items 1 and/or 2 for additional services -Complete items 3 Append 4h
102595-98-B-0279 DoneSitc Return Receipt	if requested	7. Date of Delivery	Return Receipt for Merchandise COD	Registered X4 Certified Re	4b. Service Type	4a. Article Number Z 559 572 302	Consult postmaster for fee.	2.   Restricted Delivery	1. Addressee's Address	extra fee):	I also wish to receive the following services (for an

# CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R OWEN
KATHERINE M. MOSS

JACK M CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

February 18, 1999

## CERTIFIED MAIL RETURN RECEIPT REQUESTED

Bogle Farms Ltd. Post Office Box 398 Tatum, NM 88267

Re: Application of Yates Petroleum Corporation for Extension of the Vertical Limits of

the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New

Mexico

#### Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application had been set for hearing before a Division Examiner for February 18, 1999 but has been continued to March 18, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc: Mr. Randy Patterson

Mr. Dave Pearson

	US Postal Service Receipt for Ce Receipt for Ce No Insurance Coverage Do not use for Internati Sent to Bogle Farms Street & Number Post Office Post Office, State & ZIP Co Tatum, NM	Provonal M Lto	ided. lail (See reverse)
	Postage	\$	.33
	Certified Fee		1.40
	Special Delivery Fee		
93	Restricted Delivery Fee		
Dril 16	Return Receipt Showing to Whom & Date Deliver RGAS		.25
8 8	Return Receipt Sharing Office.	E PS	
380	OTAL Postage & Fees		2.98
PS Form <b>3800</b> , April 1995	(D) 875	199 <u>9</u>	

ls your <u>Rl</u>	ETURN	ADDI	RES	<u>S</u> c	om	ple	ted on	the re	ver	se side?
6. Signature: (Addressee or Agent)  X,  PS Form <b>3811</b> , December 1994	5. Received By: (Print Name)			Tatum, NM 88267	Post Office Box 398	Bogle Farms Ltd.	3. Article Addressed to:	<ul> <li>Write "Return Receipt Requested" on the mailciece below the article number.</li> <li>The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>	<ul> <li>Attach this form to the front of the mailpiece, or on the back if space does not</li> </ul>	SENDER:  Complete items 1 and/or 2 for additional services  Complete items 3, 4a, and 4b.  Print your name and address on the reverse of this form so that we can return this
102595-98-B-0229 Domestic Return Receipt	8. Addressee's Address (Only if requested and fee is paid)	7. Date of Delivery	Return Receipt for Merchandise COD	☐ Express Mail ☐ Insured 👨	☐ Registered X Certified Re	4b. Service Type	4a. Article Number Z 559 572 323	e number.  2.  Restricted Delivery  3 the date  Consult postmaster for fee.	1. ☐ Addressee's Address	I also wish to receive the following services (for an extra fee):

# CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R OWEN
KATHERINE M MOSS
JACK M. CAMPBELL

OF COUNSEL

JEFFERSON PLACE
SUITE I - IIO NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421

FACSIMILE: (505) 983-6043 E-MAIL: ccbspa@ix.netcom.com

February 16, 1999

## CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Re: Amended Application of Yates Petroleum Corporation for an Unorthodox Gas Well

Location to Accommodate the Rededication of Acreage for Geologic Reasons, Lea

County, New Mexico

#### Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking an exception to the provisions of General Rule 104.C(2)(b) for an unorthodox gas well location for its Sand Spring State Well No. 1, 330 feet from the North line and 1650 feet from the West line which it has reentered and drilled to a depth of approximately 13,000 feet and recompleted in the Atoka and Morrow formations. The N/2 of said Section 11 has been dedicated to this well and Yates proposes to rededicate the W/2 of Section 11 to the well.

This application has been set for hearing before a Division Examiner on March 18, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc: Mr. Randy Patterson

Mr. Dave Pearson

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

ر
-
-

15	your <u>RE</u>	TURN	ADDRES	<u>SS</u> c	ompl	eted on	the r	evers	se side?
FS Form <b>38/1,</b> December 1994	6. Signatura: (Addipssee or Agent)	5. Received By: (Print Name)	Roswell, NM 88201	treet	Manzano Oil Corporation	3. Article Addressed to:	<ul> <li>Write "Return Receipt Requested" on the maliplece below the afficie number.</li> <li>The Return Receipt will show to whom the afficie was delivered and the date delivered.</li> </ul>	<ul> <li>card to you.</li> <li>Attach this form to the front of the mailpiece, or on the back if space does not perma.</li> </ul>	SENDER: SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this
102595-98-۵-0229 Domestic Return Receipt	T	8. Addressee's Addless (Only if requested and fee is paid)	7. Date of Delivery	□ Insured	Registered X Certified Returns 1	4a. Article Number Z 559 572 320 Reco	Consult postmaster for fee.	Addressee's Address     Destricted Delivery	I also wish to receive the following services (for an extra fee):

# US Postal Service Receipt for Certified Mail

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

	Postage	\$ , 33
	Certified Fee	64.1
	Special Delivery Fee	
_	Restricted Delivery Fee.	
April 1995	Return Receipt Showing to: Whom & Date Delivered	15 AL 25
	Return Receipt Showing to Whom, Date, & Addressee's Address	
3	TOTAL Postage & Fees	\$ 37.18
PS Form S&UU,	Postmatk or Date	1:38

ls	your <u>RE</u>	TURN	ADDE	RESS c	omplet	ed on	the re	vers	se side?
PS Form <b>3811</b> , December 1994	6 Signature: (Addyessee or Agent)	5. Received By: (Print Name)		Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201		3. Article Addressed to:	SENDER:  Complete items 1 and/or 2 for additional services  Complete items 3. 4a. and 4b.  Complete items 3. 4a. and 4b.  Print your name and address on the reverse of this form so that we can return this card to you.  Attach this form to the front of the mailpiece, or on the back if space does not permit.  Write "Return Receipt Requested" on the malpiece below the article number.  The Return Receipt will show to whom the article was delivered and the date delivered.		
102595-98-B-0229 Domestic Return Receipt	T	8. Addressee's Address (Only if requested and fee is paid)	7. Date of Delivery	☐ Express Mail ☐ Insured	4b. Service Type  Registered  Certified Return	4a. Article Number Z 559 572 321	Restricted Delivery  Consult postmaster for fee.	<ol> <li>☐ Addressee's Address</li> </ol>	I also wish to receive the following services (for an extra fee):

US Postal Service
Receipt for Certified Mail

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

	Postage	\$ (33
	Certified Fee	1,40
	Special Delivery Fee	
	Restricted Delivery Fee	
Form <b>3800</b> , April 1995	Return Receipt Showing to Whom & Date Delivered	77.25
	Return Receipt Spowing to Whom, Date, & Addressee Address	MA
, סכו	TOTAL Postage & Fees	\$1998 <18
S E	Postmark or Date	
25 201	Sipe	8159

IS	your <u>Rt</u>	<u> TURN</u>	AUUF	(ESS 0	omple	tea or	the	re	ver	se s	siae?
PS Form <b>3811</b> , December 1994	X Signature: (Addressep ox Agend)	5. Received By: (Print Name)		Post Office Box 1799  Midland TX 79702	Chi Energy, Inc. Post Office Box 1799		card to you.  Attach this form to the front of the mailcrece, or on the back it space does not permit.  Pyrite: "Return Receipt Requested" on the mailpiece below the article number.  The Return Receipt will show to whom the article was delivered and the date delivered.			Print your name and address on the reverse of this form so that we can return this	SENDER:  Complete items 1 and/or 2 for additional services.  Complete items 3. 4a. and 4b.  Print your name and addross on the reverse of this form so that we it.
102595-98-8-0223 Domestic Return Receipt	(c)	quested	7. Date of Delivery (2) 18 2	☐ Express Mail ☐ Express Mail ☐ Return Receipt for Machanatse ☐ COD us	4b. Service Type  Registered  Certified Retaining	4a. Article Number Z 559 572 322	Consult postmaster for fee.	2. ☐ Restricted Delivery	<ol> <li>Addressee's Address</li> </ol>	extra fee):	l also wish to receive the following services (for an

# LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE

# LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE

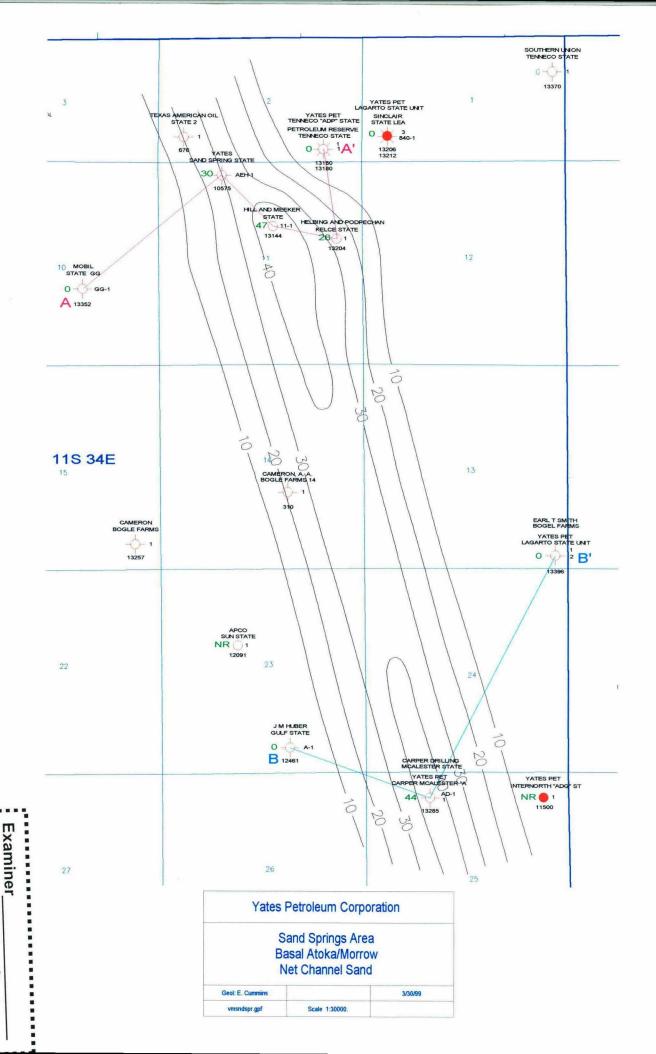


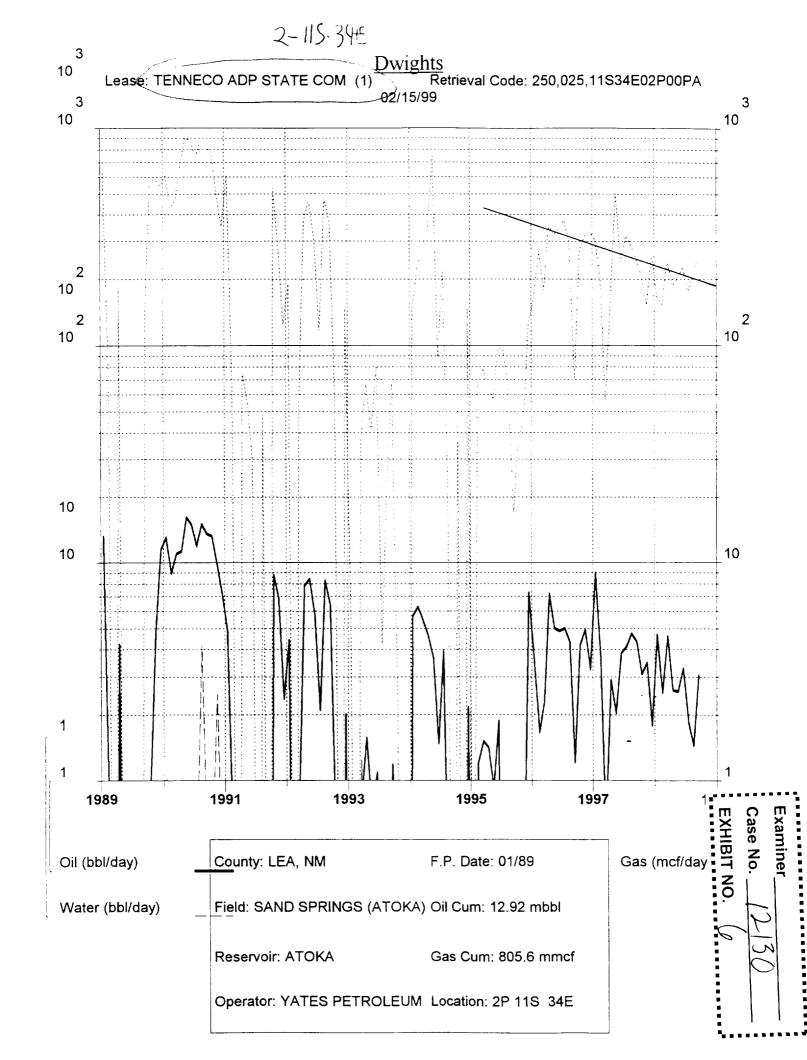
EXHIBIT NO. 5

Case No.

Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>5</u>

Submitted by: Yates Petroleum Corporation



Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>6</u>

Submitted by: Yates Petroleum Corporation

#### Decline Curve and Estimated Ultimate Recovery Calculations Yates Tenneco ADP State Com #1

Qinitial: 360 MCF/D Qfinal: 290 MCF/D

t: 1 year

d = (360-290)/3600.194 %/yr

Qcurrent: 200 MCF/D Qabandon: 50 MCF/D

RUR = ((Qcurrent-Qabandon) \* 365) / ln (1-d)

(200-50) 365 ln(1-0.194)

254 MMCF

EST. REMOVENE

Cumulative Production: 806 MMCF

EUR = RUR + Cum

254 + 806

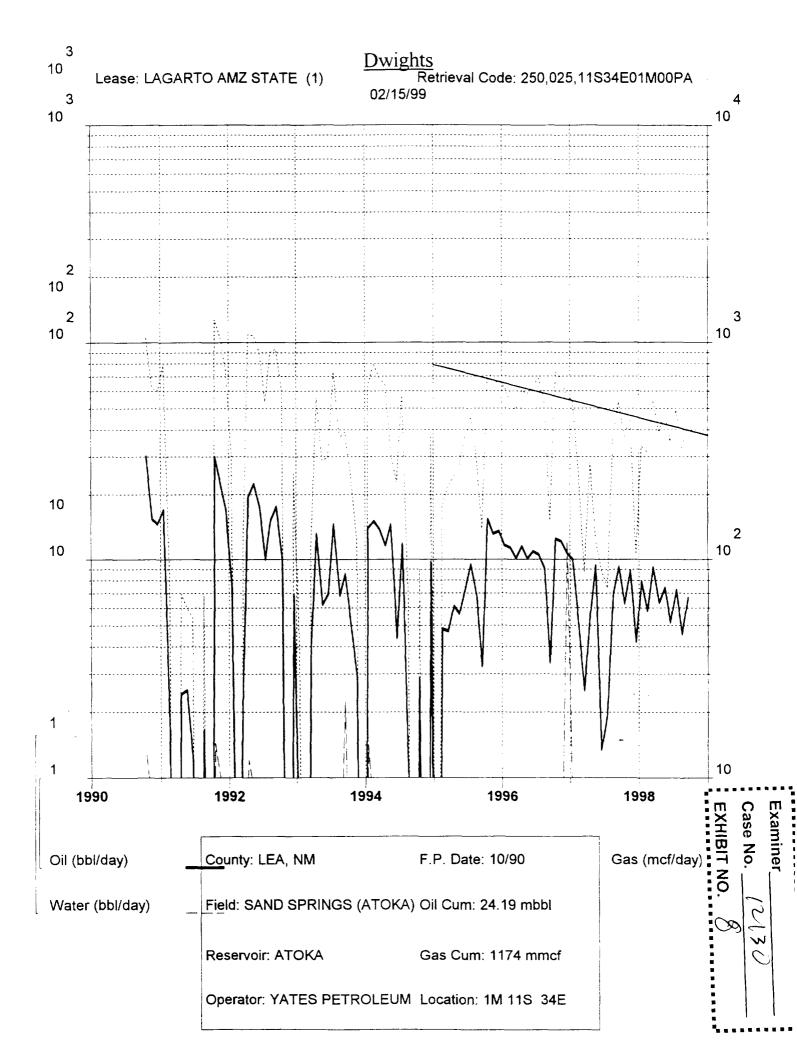
1060 MMCF

#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>7</u>

Submitted by: Yates Petroleum Corporation



Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>8</u>

Submitted by: Yates Petroleum Corporation

#### Decline Curve and Estimated Ultimate Recovery Calculations Yates Lagarto AMZ State #1

Qinitial: 800 MCF/D Qfinal: 650 MCF/D

t: 1 year

d = (800-650)/800 0.188

Qcurrent: 400 MCF/D Qabandon: 50 MCF/D

RUR = ((Qcurrent-Qabandon) \* 365) / ln (1-d)

(400-50) 365 ln(1-0.188)

613 MMCF

Cumulative Production: 1174 MMCF

EUR = RUR + Cum

613 + 1174

1787 MMCF (1.8 BCF)

#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>9</u>

Submitted by: Yates Petroleum Corporation

#### Original Gas In Place and Volumetric Calculations

#### Yates Lagarto AMZ State #1

Initial Reservoir Pressure: 4130 psia Reservoir Temperature: 187 degrees F Gas Formation Volume Factor: 0.00406 (cu. ft/SCF)

Gas Compressibility Factor: 0.92

L79 x 109 SCF Estimated Ultimate Recovery: 0<del>.80</del>

Estimated Recovery Factor:

12% Average Porosity: Average Reservoir Thickness: 12 ft

> OGIP =  $1.79 \times 10^9 / 0.8$ 2.24 x 10<sup>9</sup> SCF

A = (OGIP\*Bgi) / (43,560 \* h \* Phi \* (1-Sw))

 $(2.24 \times 10^9) (0.00406)$ (43,560) (12) (0.12) (1-0.19)

179 Acres OF ORALWING

#### Yates Tenneco ADP State #1

11,900

4130 psia Initial Reservoir Pressure: 187 degrees F Reservoir Temperature :

Gas Formation Volume Factor: 0.00406 (cu. ft/SCF)

Gas Compressibility Factor: 0.92

1.060 x 109 SCP Estimated Ultimate Recovery: Estimated Recovery Factor: 0.80

12% Average Porosity: Average Reservoir Thickness: 8 ft

> $OGIP = 1.060 \times 10^9 / 0.8$  $1.325 \times 10^{9} SCF$

> > A = (OGIP\*Bgi) / (43,560 \* h \* Phi \* (1-Sw))

 $(1.325 \times 10^9) (0.00406)$ (43,560) (8) (0.12) (1-0.19)

158 Acres Of MILMSE

Santa Fe, New Mexico

Case Nos. <u>12128 and 12130</u> Exhibit No. <u>10</u>

Submitted by: Yates Petroleum Corporation