

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
APPROVAL OF THE DUNKEN NOSE UNIT : CASE NO. _____
AGREEMENT, CHAVES COUNTY, NEW MEXICO :
_____ :

APPLICATION

COMES YATES PETROLEUM CORPORATION, and respectfully
states:

1. That applicant seeks approval of the Dunken Nose
Unit Agreement, covering 6,231.90 acres, more or less, of State
and fee oil and gas leased lands in Chaves County, New Mexico,
and described as follows:

Township 17 South, Range 18 East, N.M.P.M.

Sections 1, 10, 11, 12, 13, 14, 15,
S/2 N/2, S/2 Section 2

Township 17 South, Range 19 East, N.M.P.M.

Sections 6 and 7

2. That applicant holds sufficient interest in the
Dunken Nose Unit Area covering the lands described above, to
give reasonably effective control of operations therein.

3. The approval of the proposed unit agreement will
promote the prevention of waste and the protection of correla-
tive rights within the unit area.

WHEREFORE, applicant prays:

A. That this matter be set for hearing before an
examiner at the earliest possible date.

B. That the Commission approve the Dunken Nose Unit Agreement and the conservation provisions thereof.

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

YATES PETROLEUM CORPORATION

By: _____

A handwritten signature in black ink, appearing to read "A. J. Losee", is written over a horizontal line. The signature is cursive and somewhat stylized.

A. J. Losee, for

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

Attorneys for Applicant

LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

A. J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

AREA CODE 505

746-3508

30 April 1976

Mr. Joe D. Ramey, Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

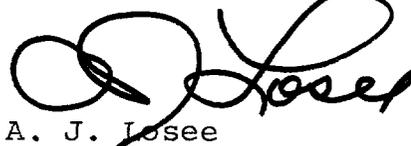
Dear Mr. Ramey:

Enclosed, please find Application, in triplicate, of Yates Petroleum Corporation for approval of the Dunken Nose Unit Agreement covering lands in Township 17 South, Ranges 18 and 19 East, Chaves County, New Mexico.

Please set this application for hearing before an examiner at the earliest possible date, and advise us of the hearing date.

Very truly yours,

LOSEE & CARSON, P. A.

A handwritten signature in black ink, appearing to read "A. J. Losee", written in a cursive style.

A. J. Losee

AJL:jw
Enclosures

cc w/enclosure: Yates Petroleum Corporation

Dockets Nos. 15-76 and 16-76 are tentatively set for hearing on May 26 and June 9, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 12, 1976

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1976, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5676: 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 Federal GC Com Well to be drilled 660 feet from the South and East lines of Section 32, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the E/2 of said Section 32 to be dedicated to the well.

CASE 5677: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dunken Nose Unit Area comprising 6393 acres, more or less, of State and Fee lands in Township 17 South, Ranges 18 and 19 East, Chaves County, New Mexico.

CASE 5678: Application of Amoco Production Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its State "E" Tract 18 Well No. 15, the surface location of which is 330 feet from the North line and 2310 feet from the West line of Section 1, Township 17 South, Range 36 East, Lovington-Abo Pool, Lea County, New Mexico, by directionally drilling said well and bottoming it in the Abo formation within 100 feet of a point 600 feet from the North line and 2310 feet from the West line of said Section 1.

CASE 5679: Application of Amoco Production Company for approval of 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. 9 to be drilled 660 feet from the North line and 990 feet from the West line of Section 5, Township 18 South, Range 29 East, South Empire-Morrow Gas Pool, Eddy County, New Mexico, the W/2 of said Section 5 to be dedicated to the well.

CASE 5680: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 21, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to David Fasken's Cemetery Federal Com Well No. 1 located in Unit L of said Section 21. 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 David Fasken as operator of the well and a charge for the risk involved in drilling said well.

CASE 5681: Application of A. H. Rains for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation through the open-hole interval from approximately 550 feet to 561 feet in his Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, Magruder-Yates Pool, Eddy County, New Mexico.

CASE 5098: (Reopened)

In the matter of Case 5098 being reopened pursuant to the provisions of Order No. R-4682, which order established special rules for the Red Tank-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5473: (Reopened)

In the matter of Case 5473 being reopened pursuant to the provisions of Order No. R-5029, which order established special rules and regulations for the West Knowles-Drinkard Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5682: Application of Champlin Petroleum Company for three non-standard gas proration units, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the three following described 160-acre non-standard gas proration units in Township 22 South, Range 27 East, East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico:

the NW/4 of Section 1 to be dedicated to applicant's Pecos-Federal Well No. 1, located in Unit C of said Section 1;

the NE/4 of Section 1 to be dedicated to applicant's Wilson Gas Com Well No. 1, located in Unit C of said Section 1; and

the NE/4 of Section 2 to be dedicated to applicant's Nix-Yates Well No. 1, located in Unit C of said Section 2.

CASE 5122: (Reopened)

In the matter of Case 5122 being reopened pursuant to the provisions of Order No. R-4693-A, which order extended the special pool rules for the East Lusk-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre proration units and a limiting oil-gas ratio of 4000 to 1. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing and why the special oil-gas ratio should remain in effect.

CASE 5670: (Continued from the April 28, 1976 Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.

CASE 5683: Southeastern Nomenclature case calling for the creation and extension of certain pools in Lea and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Jal-Wolfcamp Pool. The discovery well is the Skelly Oil Company West Jal "B" Well No. 1 located in Unit J of Section 17, Township 25 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 17: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Lusk-Morrow Gas Pool. The discovery well is the Petroleum Development Corporation McKay West Federal Well No. 1 located in Unit F of Section 34, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 34: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 3: W/2

- (c) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production and designated as the Peterson-Fusselman Pool, and assign 39,205 barrels of discovery allowable to the discovery well, Amoco Production Company Swearingen "C" Well No. 1 located in Unit N of Section 18, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 18: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the East Shugart-Queen Pool. The discovery well is the Martindale Petroleum Corporation W. H. Peckham Well No. 1 located in Unit G of Section 6, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: NE/4

- (e) EXTEND the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
 Section 1: NE/4
- (f) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
 Section 34: NE/4
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
 Section 31: S/2
 Section 32: W/2
- (g) EXTEND the Blutt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:
TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM
 Section 34: NW/4
TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
 Section 3: SE/4
 Section 4: All
 Section 9: N/2
- (h) EXTEND the Corbin-Abo Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
 Section 26: SE/4
- (i) EXTEND the Flying "M" Abo Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
 Section 10: S/2
- (j) EXTEND the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
 Section 29: NE/4
- (k) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
 Section 5: NE/4
- (l) EXTEND the West Jal-Fusselman Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
 Section 17: E/2
- (m) EXTEND the Maljamar-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
 Section 11: SW/4
- (n) EXTEND the North Mescalero-Cisco Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
 Section 11: SW/4
- (o) EXTEND the North Morton-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
 Section 26: SE/4
- (p) EXTEND the Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:
TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
 Section 17: SW/4
- (q) EXTEND the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
 Section 27: SW/4

- (r) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 35: SW/4

- (s) EXTEND the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 8: W/2 and SE/4
Section 17: E/2

- (t) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 26: N/2
Section 27: NE/4

- (u) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: NE/4

- (v) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: SW/4