

Candy in Ernest
Carroll's office
requested that
this application
be set for May
~~30~~³¹, 1991.

Set for June 13.

5/8/91

Candy with the
Losee Law Firm
called and
requested that
this application be
set for the June
13 hearing.

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

January 16, 1991

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

ATTENTION: William J. LeMay, Director

Re: Medano VA State #1, Lease No. V-120
C-109 Application - Discovery Allowable
Section 16, T23S, R31E
Eddy County, New Mexico

Dear Mr. LeMay:

Attached is Form C-109 Application for Discovery Allowable and Creation of a New Pool for the Medano VA State #1, located in Unit K, Section 16, T23S, R31E, Eddy County, New Mexico. This well is completed in the Brushy Canyon (7825-56') and Bell Canyon (4218-37') members of the Delaware Sand.

Because of the extensive depth difference between the top and bottom Delaware Sand intervals (3638'), Yates Petroleum Corporation requests that the basic depth bracket allowable for the captioned well be based on the average completion depth of 6037' instead of the shallowest perforation depth of 4218'. There is no incentive to develop and produce the Bell Canyon member (4218-37') under the existing depth bracket allowable rules.

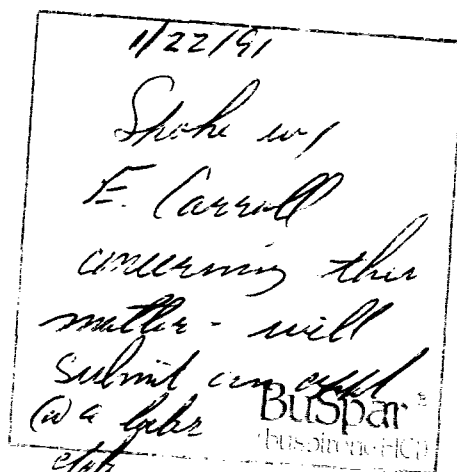
Please call me at (505) 748-1471 if you have any questions.

Sincerely,

Brian Collins
Brian Collins
Engineer

BC:jg

Attachments



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New Mexico Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

ATTENTION: Mr. Mike Williams, Supervisor
and Oil & Gas Inspector

Re: Medano VA State #1, Lease No. V-120
C-109 Application - Discovery Allowable
Section 16, T23S, R31E
Eddy County, New Mexico

Case 13327

Dear Mr. Williams:

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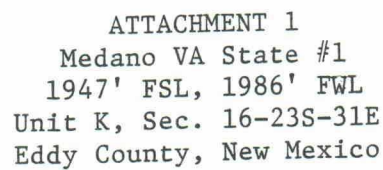
Please call me at (505) 748-1471 if you have any questions.

Sincerely,

Brian Collins
Engineer

BC:jg

Attachments



ATTACHMENT 1
Medano VA State #1
1947' FSL, 1986' FWL
Unit K, Sec. 16-23S-31E
Eddy County, New Mexico

ATTACHMENT 2
Medano VA State #1
K-16-20S-31E

1. Complete electrical log was filed in 1971 when the well was originally drilled. The tops and bottoms of the producing intervals are shown on the application form C-109. There are no nearby Delaware Sand wells.
2. No subsurface structural map or geologic cross-section is attached for the following reasons:
 - a) The nearest Delaware Sand production is 2.5 miles to the southeast in the Sand Dunes Cherry Canyon pool. The Cherry Canyon member is not productive in the Medano VA State #1.
 - b) The Medano VA State #1 is productive from the Bell Canyon member (4218-37') and the Brushy Canyon member (7825-56') of the Delaware Sand. No other Bell Canyon member or Brushy Canyon member production exists in T23S, R31E.
3. Bottomhole pressure data, reservoir liquid characteristics, core analyses and other reservoir data are not available.

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filled and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filled for each.

Operator YATES PETROLEUM CORPORATION		Address 105 South 4th Street, Artesia, NM 88210	
Lease State Medano VA State		Well No. 1	County Eddy
Well Location Unit Letter <u>K</u> ; <u>1947</u> Feet from The <u>South</u> Line and <u>1986</u> Feet From the <u>West</u> Line of Section <u>16</u> , Township <u>23-S</u> , Range <u>31-E</u> , NMPM			
Suggested Pool Names (List in order of preference) 1. <u>Medano Delaware</u> , <u>Los Medanos (Delaware)</u> , <u>Sand Dunes North (Delaware)</u>			
Name of Producing Formation Delaware Sand		Perforations 4218-26', 4229-37', 7825-28', 7838-44', 7846-56'	Date of Filing Form C-104 11-14-90 (4218-37')
Is "AMT" (Visit of Discovery) Previously Filled? For This Well in this Pool? No		If Yes, Give Date of Filing 4/15/71	Date Compl. Ready to Prod. 12/20/90
Total Depth 15000'	Plugged Back Depth 8000'	Depth Casing Shoe 12444'	Tubing Depth 7800'
Elevation (Gr., DF, RKB, RT, etc.) 3381' KB; 3358' GR			
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>146</u> Bbls. Oil Per Day Based On <u>146</u> Bbls In <u>24</u> Hours; <u>110</u> Bbls Water Per Day Based On <u>110</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>45.5</u> MCF; Gas-Oil Ratio: <u>312</u> Method Of Producing: <u>Pump</u> Chk. Size			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name West Sand Dunes Morrow	Name of Producing Formation Morrow	Top of Pay 14011'	Bottom of Pay 14092'	Currently Producing? SIWOPLC
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1894' Northwest		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 6155'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Sand Dunes Cherry Canyon	Top of Pay 5996'	Bottom of Pay 6125'	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 2.5 miles east-southeast			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
--	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)?	If Yes, Name all Such Formations
--	---	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Santa Fe Energy	550 W. Texas, Ste. 1330, Midland, TX 79701
Kaiser Francis Oil & Gas	PO Box 84234, Dallas, TX 75284
Mobil E&P	PO Box 84080, Dallas, TX 75284
Marathon Oil Company	PO Box 552, Midland, TX 79702

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks: Because of the extensive depth difference between the top and bottom Delaware Sand intervals (3638'), Yates Petroleum requests the basic depth bracket allowable for the captioned well be based on the average completion depth (4218'+7856'/2=6037') of 6037' instead of the shallowest perforation depth of 4218'. We have no incentive to develop the shallowest interval based on existing depth bracket allowable rules.

CERTIFICATION
I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

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Lease Name Medano VA State		Well No. 1	County Eddy
Well Location Unit Letter <u>K</u> <u>1947</u> Feet from The <u>South</u> Line and <u>1986</u> Feet From the <u>West</u> Line of Section <u>16</u> Township <u>23-S</u> Range <u>31-E</u> NMPM			
Suggested Pool Names (List in order of preference) 1. <u>Medano Delaware</u> 2. <u>Los Medanos (Delaware)</u> 3. <u>Sand Dunes North (Delaware)</u>			
Name of Producing Formation Delaware Sand		Perforations 4218-26', 4229-37', 7825-28', 7838-44', 7846-56'	
Date of Filing Form C-104 11-14-90 (4218-37')		Date of Filing Form C-104 11-14-90 (4218-37')	
Was "Alluvial Discovery" Previously Filed? No		If Yes, Give Date of Filing	
Date Well was Spudded 4/15/71		Date Compl. Ready to Prod. 12/20/90	
Total Depth 15000'	Plugged Back Depth 8000'	Depth Casing Shoe 12444'	Tubing Depth 7800'
Elevation (Gr., DF, RKB, RT, etc.) 3381' KB; 3358' GR			
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>146</u> Bbls. Oil Per Day Based On <u>146</u> Bbls. In <u>24</u> Hours; <u>110</u> Bbls Water Per Day Based On <u>110</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>45.5</u> MCF; Gas-Oil Ratio: <u>312</u> Method Of Producing: <u>Pump</u> Chk. Size			

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NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Sand Dunes Cherry Canyon	Top of Pay 5996'	Bottom of Pay 6125'	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 2.5 miles east-southeast			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
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TREASURER

January 16, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
PO Box 552
Midland, Texas 79702

Dear Sir:

Enclosed please find a copy of Form C-109, Application for Discovery Allowable and Creation of New Pool on Yates' Medano VA State #1, located in Unit K, Section 16-T23S-R31E.

Should you have any questions please feel free to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Brian Collins'.

Brian Collins
Engineer

BC:jg

Enclosure

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RETURN RECEIPT REQUESTED

Kaiser-Francis Oil Co.
P. O. Box 84234
Dallas, Texas 75284

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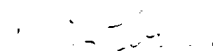
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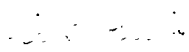
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