

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1966



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. M. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
KEYTON YATES  
EXECUTIVE VICE PRESIDENT  
HANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

June 6, 1994

File:

Case 11004

Merit Energy Company  
12222 Merit Drive, Suite 1500  
Dallas, Texas 75251

Attention: Jean Ann Dobbs

Re. Unorthodox Location -  
Catterson SS Fed. #7  
Township 7 South, Range 26 East  
Section 21 SE/4  
Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation has filed an application to the Oil Conservation Division for approval of an unorthodox location. This letter is to serve as official notice that it is the intent of Yates Petroleum Corporation to complete a well drilled 2310' FSL and 790' FEL of Section 21 Township 7 South, Range 26 East, N.M.P.M., Chaves County, New Mexico in the Abo Formation. This well is an offset to a Merit Energy Company lease.

Please be advised that the hearing is to be held in Santa Fe at the Oil Conservation Division Conference Room on June 23, 1994 at 8:30 a.m. before an OCD Examiner. It is requested that Merit Energy consent to the unorthodox location of a Abo Formation and waive its right to appearance in said hearing. Should this meet with your approval, please sign in the space provided below and return to the above address. Thank you for your cooperation and assistance.

Very truly yours,

YATES PETROLEUM CORPORATION

*Mecca Mauritsen*

Mecca Mauritsen  
Landman

MM:dke

AGREED TO THIS 18 day of June, 1994

MERIT ENERGY COMPANY

By: *Robert K. Matzsch*

Post-it® Fax Note 7671		Date <u>6-30-94</u>	# of pages <u>1</u>
To <u>Mecca Mauritsen</u>	From <u>Jean Ann Dobbs</u>		
Co./Dept <u>Yates</u>	Co. <u>Merit Energy</u>		
Phone #	Phone #		

III FGIRI F



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

March 23, 1995

Yates Petroleum Corporation  
c/o Campbell, Carr, Berge & Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

*Carr 11004*

Attn: William F. Carr

RE: Administrative Amendment to Division Order No. R-9976-A

Dear Mr. Carr:

Reference is made to your letter dated March 10, 1995 on behalf of the operator, Yates Petroleum Corporation, requesting exceptions to Division General Rule 104.F(1) and Division Policy, as directed by Division Memorandums dated July 27, 1988 and August 3, 1990.

Said Order No. R-9976-A authorized Yates Petroleum Corporation to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6 and 7 South, Ranges 25 and 26 East, NMPM, Chaves County, New Mexico.

At this time, Yates is seeking to change the proposed locations of three particular wells due to minor difficulties encountered when actually staking the locations.

By the authority granted me under the provisions of General Rule 104.F and Order R-9976-A, the following well locations are hereby approved. Further, Decretory Paragraph No. (5) on page 7 of said Order No. R-9976-A shall be amended to reflect the following location changes:

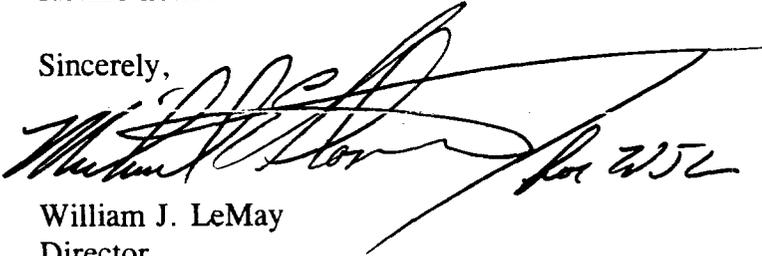
Lease Name and Well No.	S-T-R	Corrected Footage Location	Unit
Hansel "ANH" Federal Com. No. 1	7-6S-26E	2110' FNL - 940' FEL	H
Thorpe "MI" Federal Com. No. 14 (to replace the Thorpe "MI" Federal No. 15)	15-7S-25E	1980' FNL - 850' FWL	E
Leeman "OC" Federal No. 5	18-7S-26E	2310' FSL - 2130' FEL	J

Administrative Amendment to Division Order No. R -9976-A  
Yates Petroleum Corporation  
March 23, 1995  
Page 2

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All other provisions of said Order No. R-9976-A shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a large, sweeping flourish extending to the right. The signature is written over a horizontal line.

William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia  
Bureau of Land Management - Roswell  
File: Case No. 10981  
Case No. 11004

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
NANCY A. RATH

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  
TELECOPIER: (505) 983-6043

March 10, 1995

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**RECEIVED**

MAR 10 1995

Oil Conservation Division

Attn: Michael E. Stogner, Chief Engineer

Re: Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Gas well Location for its Hansel "ANH" Federal Com No. 1 Well, located 2110 feet from the North line and 940 feet from the East line of Section 7, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby requests administrative approval of an unorthodox gas well location for its Hansel "ANH" Federal Com No. 1 Well in the Pecos Slope-Abo Gas Pool at a point 2110 feet from the North line and 940 feet from the East line of Section 7, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. The SE/4 NE/4 of Section 7 is dedicated to the well.

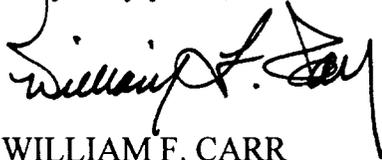
An unorthodox location for this well was previously approved by Division Order No. R-9976-A at 2110 feet from the North line and 790 feet from the East line of said Section 7. However, this location must be moved 150 feet to the East due to the discovery of an archaeological site. This archaeological site is identified on a plat on page 7 of the Technological Report No. 94-SAS1-088(a)S dated October 19, 1994 prepared by Southwest Archaeological Services, Inc. A copy of this page is attached hereto as Exhibit A.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 10, 1995  
Page 2

Yates Petroleum Corporation operates all offsetting tracts affected by this unorthodox location. Attached hereto as Exhibit B is a plat showing the ownership of all leases offsetting the same unit for which the unorthodox location is sought and all wells completed thereon. Also enclosed is a copy of OCD Form C-102 which shows the survey location for this well.

Your consideration of this administrative application is appreciated.

Very truly yours,

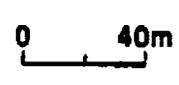
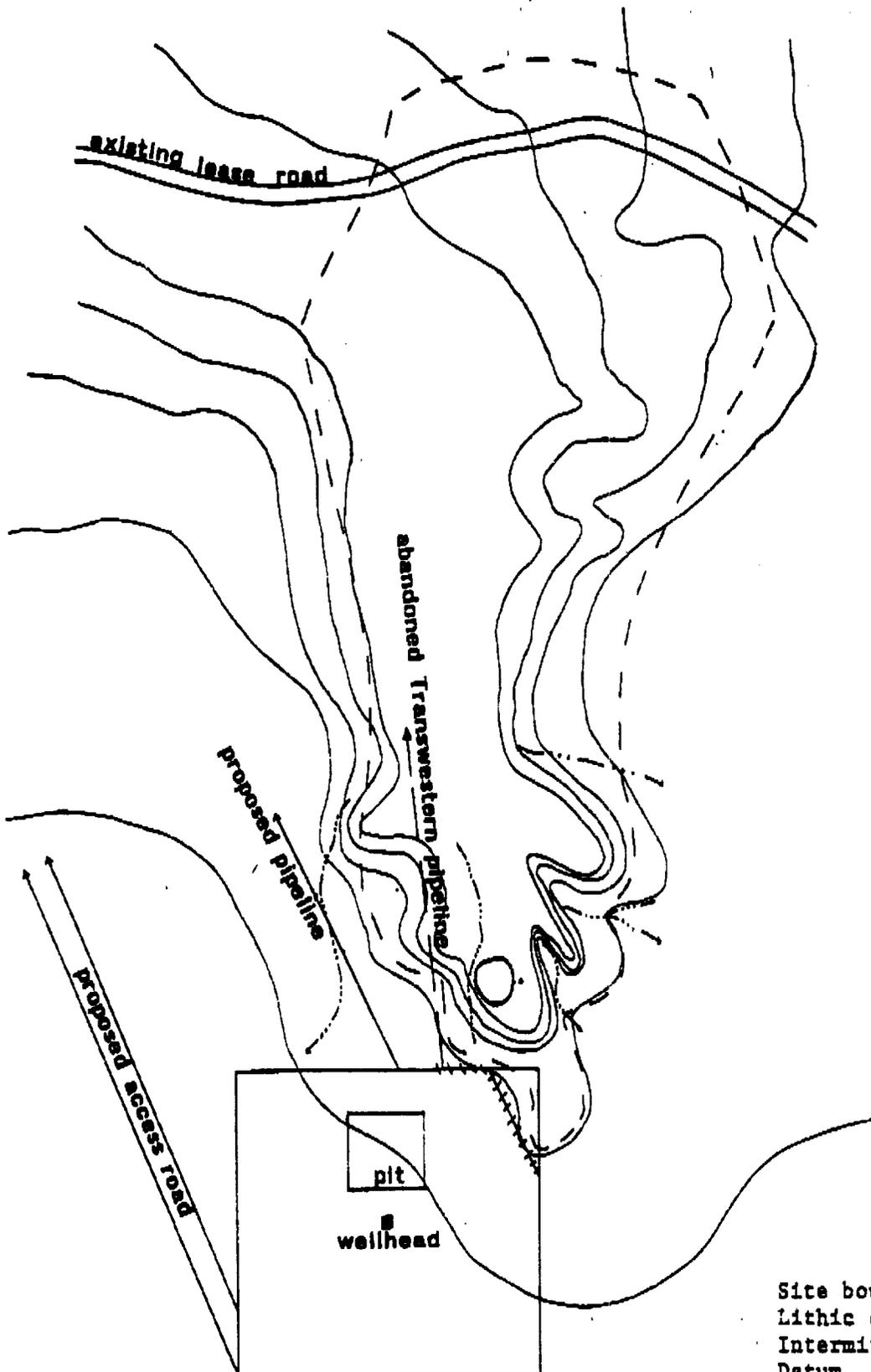
A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large initial "W".

WILLIAM F. CARR  
ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enclosures

cc: Tim Gum, Supervisor  
New Mexico Oil Conservation Division  
Post Office Drawer DD  
Artesia, New Mexico 88210



- KEY**
- Site boundary - - - - -
  - Lithic concentration ○
  - Intermittent drainage - · · · -
  - Datum ▲
  - Proposed temporary barrier + + + +
  - Contour interval = 1 meter

proposed Hansel "ANH"  
Federal COM #1 well location

13 "Rowland" Lag Rowland Johnson, Ent. U.S. Comp. Ent.	14 "Doris" 43098 Alkali-Fed. U.S.	15 "Paulette-St." State	16 "Ladenwick-Fed." U.S.	17 "Ladenwick-Fed." U.S.	18 "Paulette-St." State	19 "Rose-Fed." U.S.	20 "Rose-Fed." U.S.	21 "Alkali-Fed." U.S.	22 "Alkali-Fed." U.S.	23 "Alkali-Fed." U.S.	24 "Everette Fed." U.S.	25 "Everette Fed." U.S.	26 "Everette Fed." U.S.	27 "Everette Fed." U.S.	28 "Everette Fed." U.S.	29 "Everette Fed." U.S.	30 "Everette Fed." U.S.	31 "Everette Fed." U.S.	32 "Everette Fed." U.S.	33 "Everette Fed." U.S.	34 "Everette Fed." U.S.	35 "Everette Fed." U.S.	36 "Everette Fed." U.S.	37 "Everette Fed." U.S.	38 "Everette Fed." U.S.	39 "Everette Fed." U.S.	40 "Everette Fed." U.S.	41 "Everette Fed." U.S.	42 "Everette Fed." U.S.	43 "Everette Fed." U.S.	44 "Everette Fed." U.S.	45 "Everette Fed." U.S.	46 "Everette Fed." U.S.	47 "Everette Fed." U.S.	48 "Everette Fed." U.S.	49 "Everette Fed." U.S.	50 "Everette Fed." U.S.	51 "Everette Fed." U.S.	52 "Everette Fed." U.S.	53 "Everette Fed." U.S.	54 "Everette Fed." U.S.	55 "Everette Fed." U.S.	56 "Everette Fed." U.S.	57 "Everette Fed." U.S.	58 "Everette Fed." U.S.	59 "Everette Fed." U.S.	60 "Everette Fed." U.S.	61 "Everette Fed." U.S.	62 "Everette Fed." U.S.	63 "Everette Fed." U.S.	64 "Everette Fed." U.S.	65 "Everette Fed." U.S.	66 "Everette Fed." U.S.	67 "Everette Fed." U.S.	68 "Everette Fed." U.S.	69 "Everette Fed." U.S.	70 "Everette Fed." U.S.	71 "Everette Fed." U.S.	72 "Everette Fed." U.S.	73 "Everette Fed." U.S.	74 "Everette Fed." U.S.	75 "Everette Fed." U.S.	76 "Everette Fed." U.S.	77 "Everette Fed." U.S.	78 "Everette Fed." U.S.	79 "Everette Fed." U.S.	80 "Everette Fed." U.S.	81 "Everette Fed." U.S.	82 "Everette Fed." U.S.	83 "Everette Fed." U.S.	84 "Everette Fed." U.S.	85 "Everette Fed." U.S.	86 "Everette Fed." U.S.	87 "Everette Fed." U.S.	88 "Everette Fed." U.S.	89 "Everette Fed." U.S.	90 "Everette Fed." U.S.	91 "Everette Fed." U.S.	92 "Everette Fed." U.S.	93 "Everette Fed." U.S.	94 "Everette Fed." U.S.	95 "Everette Fed." U.S.	96 "Everette Fed." U.S.	97 "Everette Fed." U.S.	98 "Everette Fed." U.S.	99 "Everette Fed." U.S.	100 "Everette Fed." U.S.
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Exhibit B

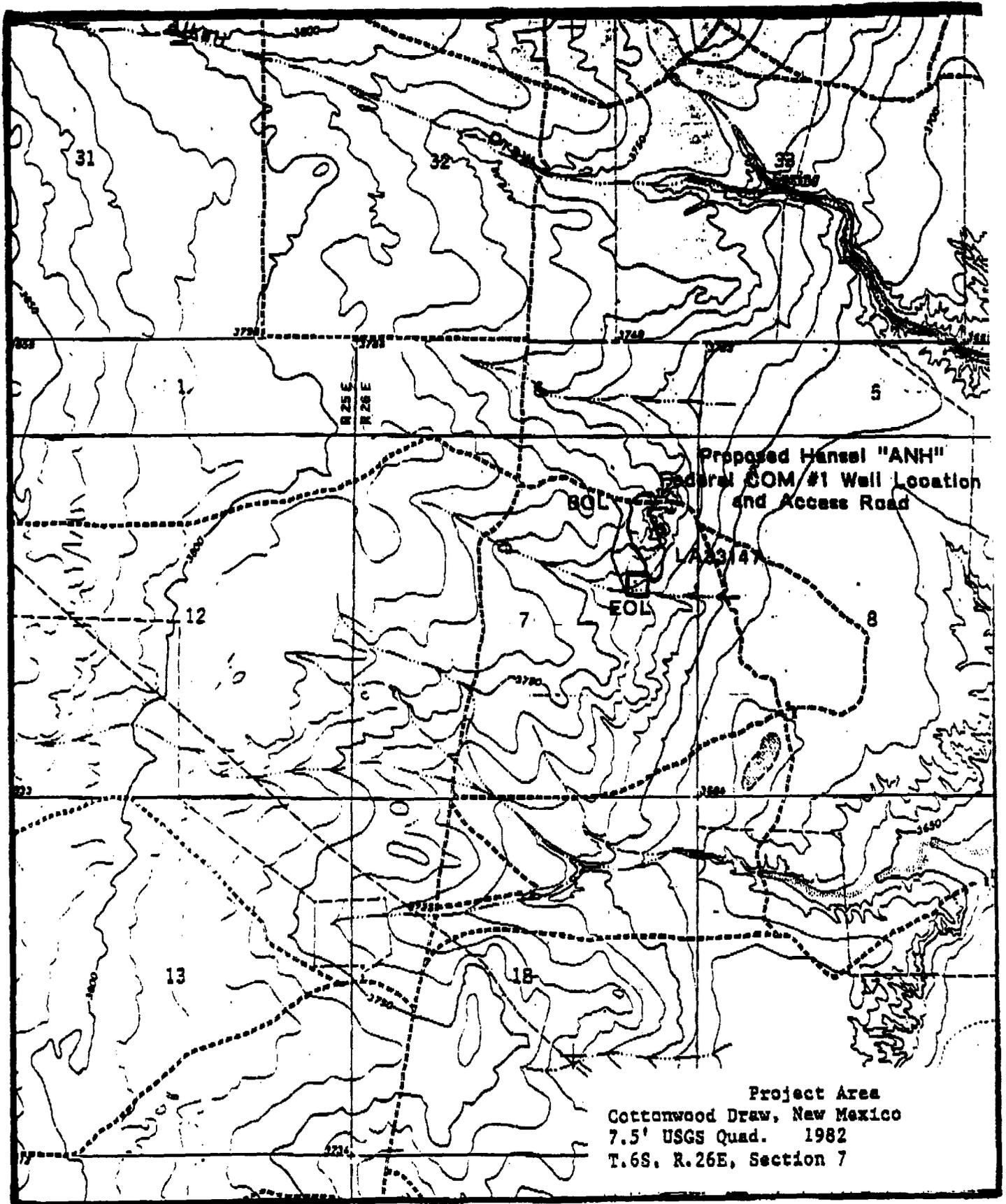


Exhibit C

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87418  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code	Property Name				Well Number
	HANSEL 'ANH' FEDERAL COM.				1
OGRID No.	Operator Name				Elevation
	YATES PETROLEUM CORPORATION				3734

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	7	6S	26E		2110	NORTH	940	EAST	CHAVES

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

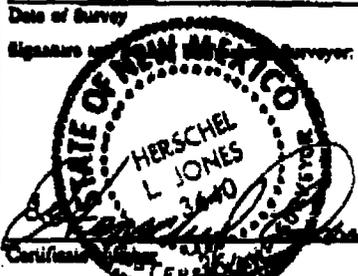
16	17 OPERATOR CERTIFICATION			
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>			
	Signature _____			
	Printed Name _____			
Title _____				
Date _____				
18 SURVEYOR CERTIFICATION				
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>				
Date of Survey 10/06/94				
Signature _____ Surveyor				
				

Exhibit D

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
NANCY A. RATH

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  
TELECOPIER: (505) 983-6043

March 10, 1995

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**RECEIVED**

MAR 10 1995

Oil Conservation Division

Attn: Michael E. Stogner, Chief Engineer

Re: Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Gas well Location for its Thorpe "MI" Federal Com No. 14 Well, located 1980 feet from the North line and 850 feet from the West line of Section 15, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby requests administrative approval of an unorthodox gas well location for its Thorpe "MI" Federal Com No. 14 Well in the Pecos Slope-Abo Gas Pool at a point 1980 feet from the North line and 850 feet from the West line of Section 15, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico. The SW/4 NW/4 of Section 15 is dedicated to the well.

An unorthodox location for this well was previously approved by Division Order No. R-9976-A at 990 feet from the North line and 2310 feet from the West line of said Section 15. However, this location must be moved at the request of the Bureau of Land Management to avoid a range study being conducted by the BLM.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources

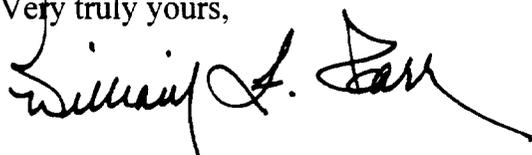
March 10, 1995

Page 2

Yates Petroleum Corporation operates all offsetting tracts affected by this unorthodox location. Attached hereto is a plat showing the ownership of all leases offsetting the same unit for which the unorthodox location is sought and all wells completed thereon. Also enclosed is a copy of OCD Form C-102 which shows the survey location for this well.

Your consideration of this administrative application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR  
ATTORNEY FOR YATES PETROLEUM CORPORATION  
WFC:mlh

Enclosures

cc: Tim Gum, Supervisor  
New Mexico Oil Conservation Division  
Post Office Drawer DD  
Artesia, New Mexico 88210

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Grande Rd., Alamo, NM 87419  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name			Well Number
		THORPE "MI" FEDERAL COM.			14
GRID No.		Operator Name			Elevation
		YATES PETROLEUM CORPORATION			3837

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	15	7S	25E		1980	NORTH	850	WEST	CHAVES

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

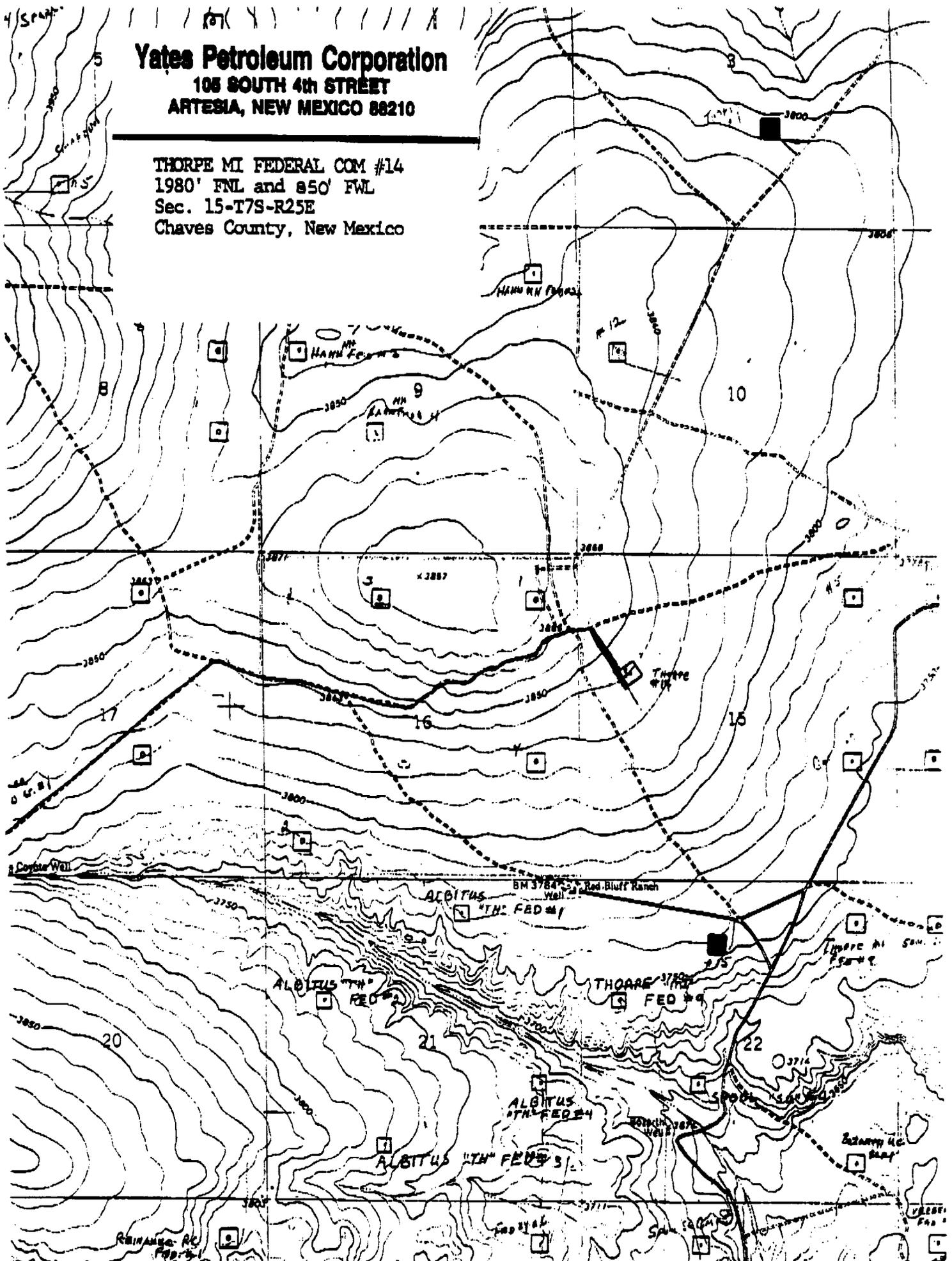
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>			
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>1/09/95</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p>			
	<p>19</p>			



4/SPM  
5  
Yates Petroleum Corporation  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

THORPE MI FEDERAL COM #14  
1980' FNL and 850' FWL  
Sec. 15-T7S-R25E  
Chaves County, New Mexico



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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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TELEPHONE: (505) 988-4421  
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March 10, 1995

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**RECEIVED**

MAR 10 1995

Oil Conservation Division

Attn: Michael E. Stogner, Chief Engineer

Re: Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Gas well Location for its Leeman "OC" Federal No. 5 Well, located 2310 feet from the South line and 2130 feet from the East line of Section 18, Township 7 South, Range 26 East, N.M.P.M., Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby requests administrative approval of an unorthodox gas well location for its Leeman "OC" Federal No. 5 Well in the Pecos Slope-Abo Gas Pool at a point 2310 feet from the South line and 2130 feet from the East line of Section 18, Township 7 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. The NW/4 SE/4 of Section 18 is dedicated to the well.

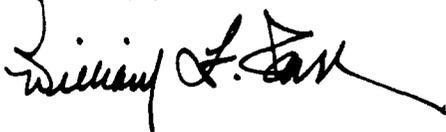
An unorthodox location for this well was previously approved by Division Order No. R-9976-A at 2310 feet from the South line and 1980 feet from the East line of said Section 18. However, this location must be moved 150 feet to the West due to the discovery of an archaeological site. A plat showing this archaeological site is attached hereto as Exhibit A.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 10, 1995  
Page 2

Yates Petroleum Corporation operates all offsetting tracts affected by this unorthodox location. Attached hereto as Exhibit B is a plat showing the ownership of all leases offsetting the same unit for which the unorthodox location is sought and all wells completed thereon. Also enclosed is a copy of OCD Form C-102 which shows the survey location for this well.

Your consideration of this administrative application is appreciated.

Very truly yours,

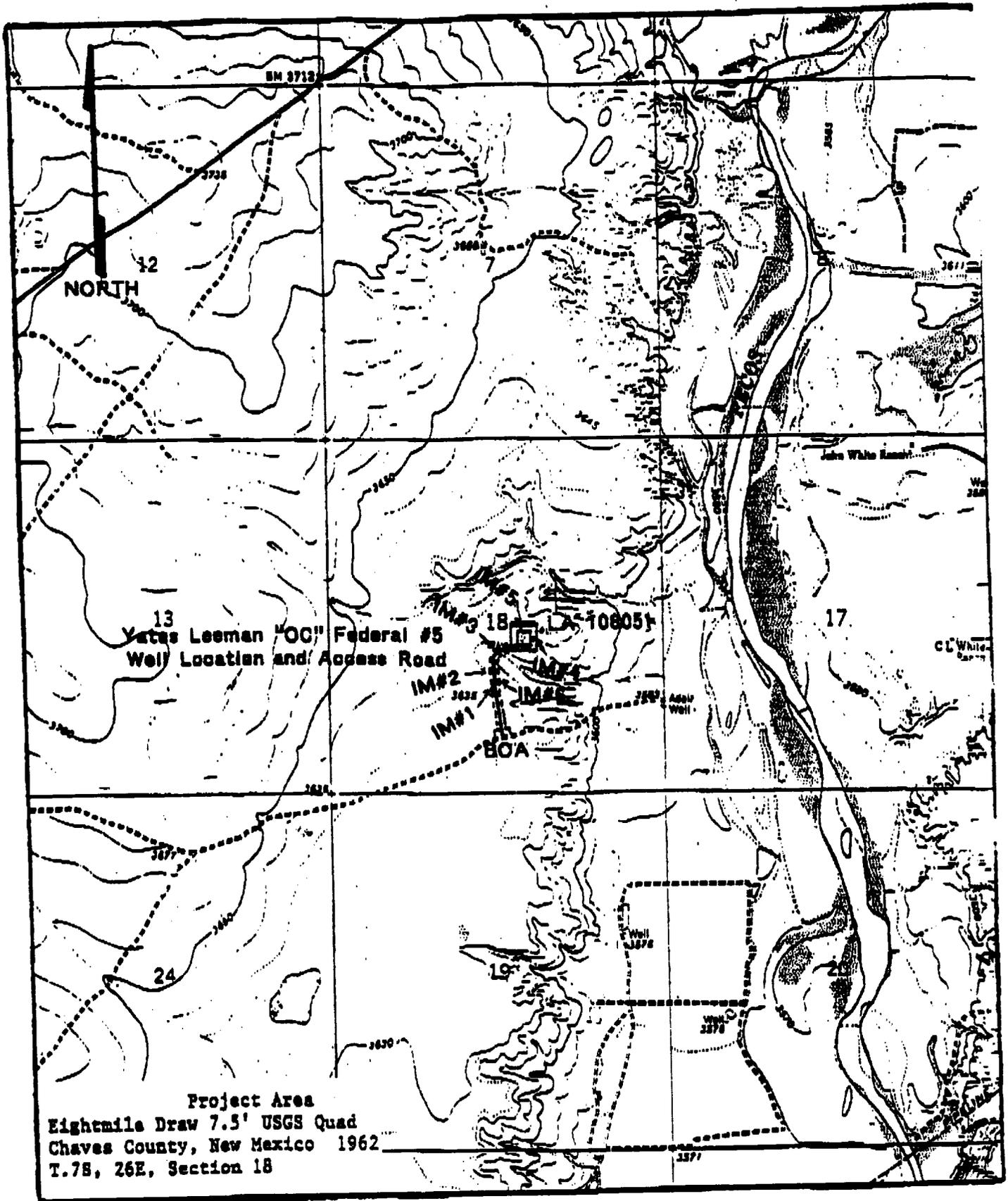
A handwritten signature in black ink, appearing to read "William F. Carr", with a long, sweeping underline.

WILLIAM F. CARR  
ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enclosures

cc: Tim Gum, Supervisor  
New Mexico Oil Conservation Division  
Post Office Drawer DD  
Artesia, New Mexico 88210



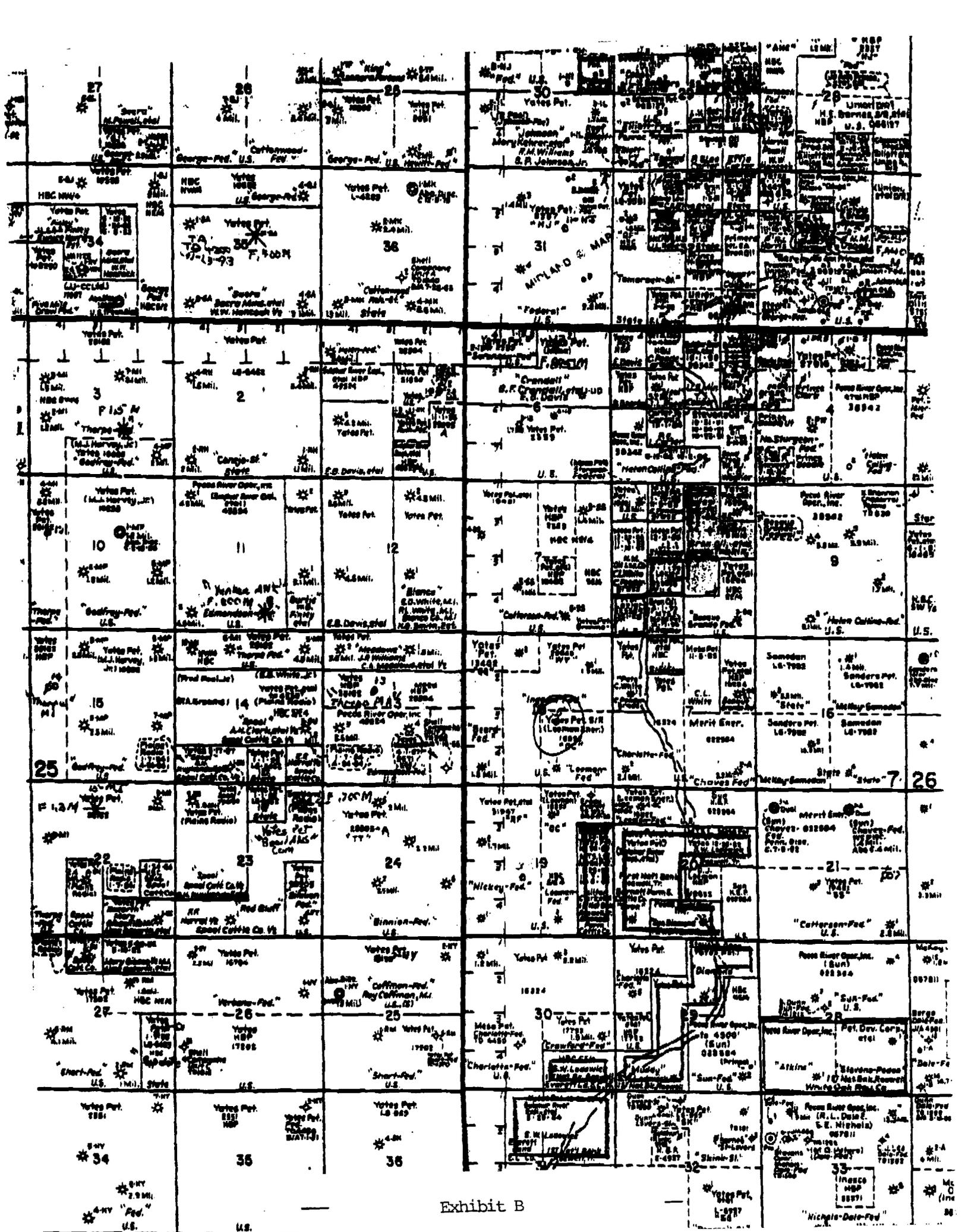


Exhibit B

District I  
PO Box 1966, Hobbs, NM 88241-1966  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Grande Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code		* Pool Name		
* Property Code		* Property Name			* Well Number	
		LEEMAN "OC" FEDERAL			5	
* OGRID No.		* Operator Name			* Elevation	
		YATES PETROLEUM CORPORATION			3635	

10 Surface Location

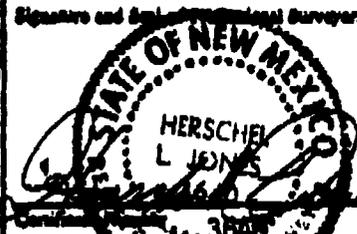
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	7S	26E		2310	SOUTH	2130	EAST	CHAVES

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or InSE	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
					<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>1/09/95</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
					



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

March 27, 1995

*Case File  
No. 11004*

**Yates Petroleum Corporation**  
c/o Campbell, Carr, Berge & Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

**Attn: William F. Carr**

**RE: Administrative Amendment to Division Order No. R-9976-A**

Dear Mr. Carr:

Reference is made to your letter dated March 24, 1995 on behalf of the operator, Yates Petroleum Corporation, requesting exceptions to Division General Rule 104.F(1) and Division Policy, as directed by Division Memorandums dated July 27, 1988 and August 3, 1990.

Said Order No. R-9976-A authorized Yates Petroleum Corporation to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6 and 7 South, Ranges 25 and 26 East, NMPM, Chaves County, New Mexico.

At this time, Yates is seeking to change the proposed location of a particular well due to minor difficulties encountered when actually staking the location.

By the authority granted me under the provisions of General Rule 104.F and Order R-9976-A, the following well location is hereby approved. Further, Decretory Paragraph No. (5) on page 7 of said Order No. R-9976-A shall be amended to reflect the following location changes:

Lease Name and Well No.	S-T-R	Corrected Footage Location	Unit
Federal "HY" Well No. 13	33-7S-25E	2310' FSL - 330' FEL	I

All other provisions of said Order No. R-9976-A shall remain in full force and effect until further notice.

Sincerely,

William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia  
Bureau of Land Management - Roswell  
File: Case No. 10981  
Case No. 11004

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
NANCY A. RATH

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  
TELECOPIER: (505) 983-6043

March 24, 1995

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**RECEIVED**

MAR 24 1995

Oil Conservation Division

Attn: Michael E. Stogner, Chief Engineer

Re: Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Gas well Location for its Federal "HY" No. 13 Well, located 2310 feet from the South line and 330 feet from the East line of Section 33, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby requests administrative approval of an unorthodox gas well location for its Federal "HY" No. 13 Well in the Pecos Slope-Abo Gas Pool at a point 2310 feet from the South line and 330 feet from the East line of Section 33, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico. The NE/4 SE/4 of Section 33 is dedicated to the well.

An unorthodox location for this well was previously approved by Division Order No. R-9976-A at 2310 feet from the South line and 460 feet from the East line of said Section 33. However, this location must be moved at the request of the Bureau of Land Management because of ground water and to avoid a playa to the west of the location as shown on Exhibit A attached hereto.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 24, 1995  
Page 2

Yates Petroleum Corporation operates all offsetting tracts affected by this unorthodox location. Attached hereto as Exhibit B is a plat showing the ownership of all leases offsetting the same unit for which the unorthodox location is sought and all wells completed thereon. Also enclosed is a copy of OCD Form C-102 which shows the survey location for this well.

Your consideration of this administrative application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over a vertical line that extends from the "y" in "yours".

WILLIAM F. CARR  
ATTORNEY FOR YATES PETROLEUM CORPORATION  
WFC:mlh

Enclosures

cc: Tim Gum, Supervisor  
New Mexico Oil Conservation Division  
Post Office Drawer DD  
Artesia, New Mexico 88210

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

FEDERAL HY #13  
2310' FSL and 330' FEL  
Sec. 33-T7S-R25E  
Chaves County, New Mexico

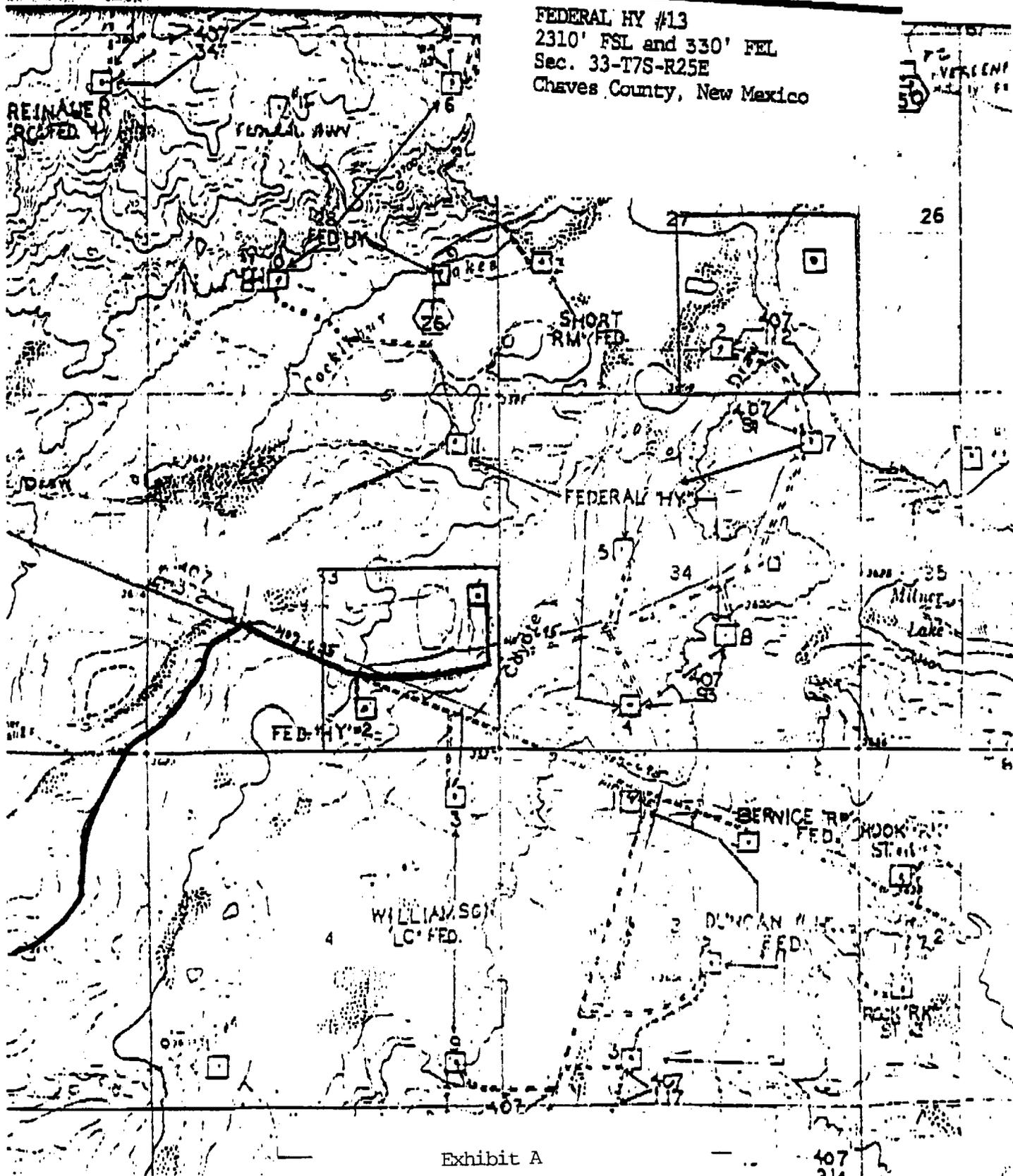


Exhibit A

407  
214

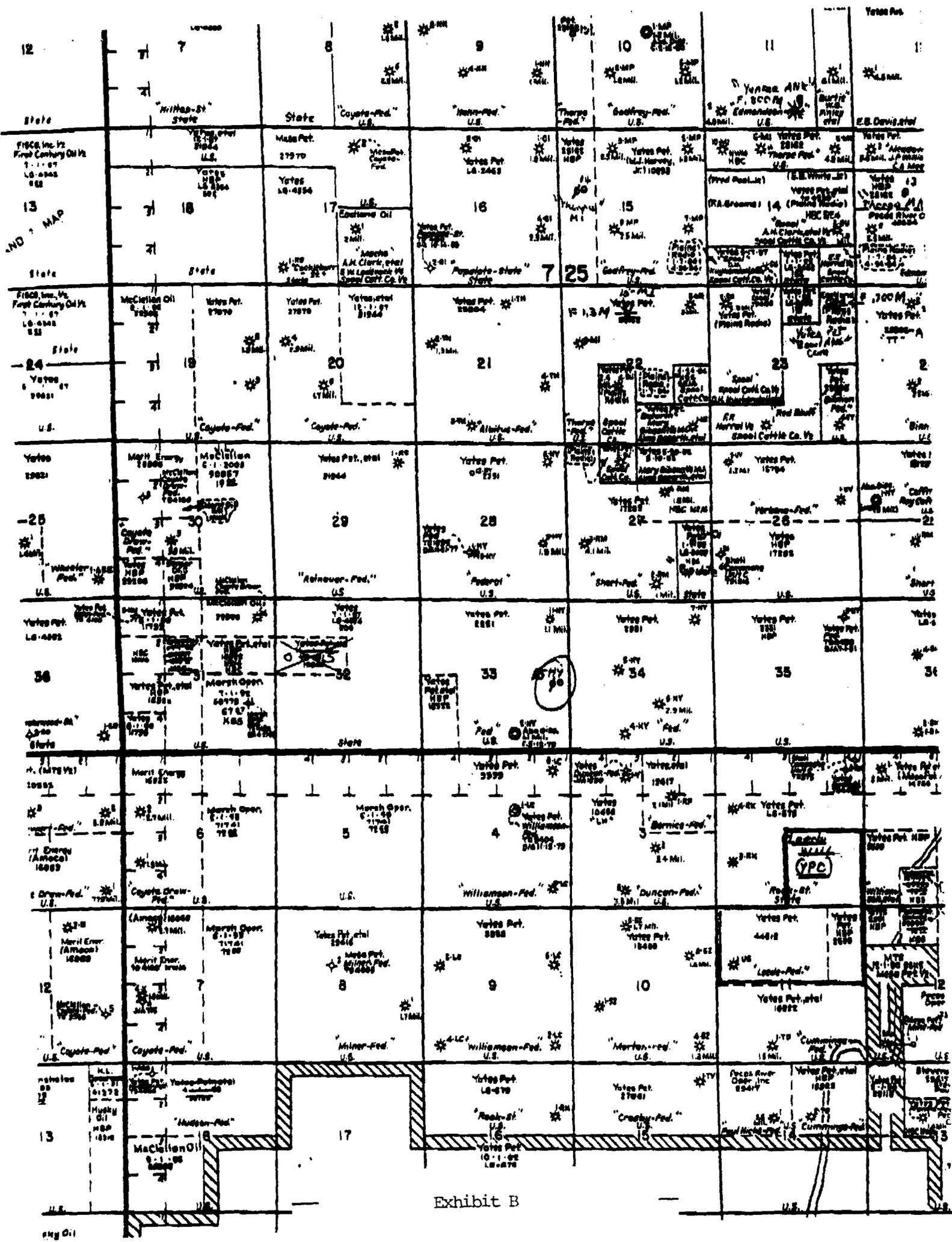


Exhibit B

District I  
 PO Box 1990, Hobbs, NM 88341-1990  
 District II  
 PO Drawer DD, Aramis, NM 88211-0719  
 District III  
 1000 Rio Grande Rd., Alamo, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

APN Number		Foot Code		Foot Name	
Property Code		FEDERAL "HY"		Property Name	
OCRID No.		YATES PETROLEUM CORPORATION		Operator Name	
				Well Number 13	
				Elevation 3590	

**10 Surface Location**

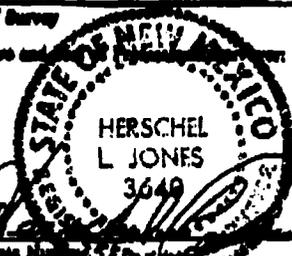
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	33	7S	25E		2310	SOUTH	330	EAST	CHAVES

**11 Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or InSB	14 Consolidation Code	15 Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

16				<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature _____ Printed Name _____ Title _____ Date _____
			330' 2310' <b>18 SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey: 1/09/95 Signature and Title: _____  Certificate Number: _____	

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

**CASE NO. 10793  
Order No. R-9976**

**APPLICATION OF YATES PETROLEUM  
CORPORATION FOR A PILOT GAS  
ENHANCED RECOVERY PROJECT, CHAVES  
COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on August 12, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of September, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) The applicant, Yates Petroleum Corporation, seeks authority to implement a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, by drilling an additional gas well within the following described standard 160-acre gas spacing and proration units in order to gather data to determine if additional infill drilling is necessary to effectively and efficiently drain the Abo formation:

**TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM**

Section 8: NE/4  
Section 11: SE/4  
Section 15: SW/4  
Section 24: SW/4  
Section 26: NE/4  
Section 35: NE/4

(3) In addition, the applicant seeks to include all of Irregular Section 1, Township 6 South, Range 25 East, NMPM, within the proposed pilot infill drilling area. Section 1 is a non-standard gas spacing and proration unit comprising some 201.29 acres.

(4) Within the subject gas proration units, the applicant proposes to produce both wells unrestricted for a temporary period of two years in order to gather geologic and engineering data.

(5) At the time of the hearing the applicant requested that the SW/4 of Section 15, Township 6 South, Range 25 East, NMPM, not be included within the proposed pilot infill drilling area.

(6) The Pecos Slope-Abo Gas Pool is currently governed by Division General Rules and Regulations which require 160-acre standard gas proration units and designated well locations. In addition, Division Rules and/or Policy currently generally prohibit the drilling of additional gas wells within standard proration units in non-prorated gas pools.

(7) According to evidence and testimony, Yates Petroleum Corporation drilled a number of infill wells in the Pecos Slope-Abo Gas Pool during 1992. Several of the wells encountered bottomhole pressures in the Abo formation in the range of 85-90 percent of original bottomhole reservoir pressure.

(8) Geologic evidence presented by the applicant indicates that the Abo formation in this area is comprised of three producing zones, each containing numerous distinct sand intervals. The sand intervals are generally vertically segregated and some are laterally discontinuous.

(9) Because of the nature of the sand intervals in this area, the applicant contends that some of the existing wells in the pool cannot efficiently and effectively drain the gas reserves in the Abo formation underlying their proration units.

(10) Engineering evidence presented by the applicant indicates that the drainage area for wells within the Pecos Slope-Abo Gas Pool varies considerably, and the average drainage area for wells within the specific area analyzed by the applicant is approximately 120 acres.

(11) The preliminary geologic and engineering evidence presented by the applicant indicates that there may be some areas within the Pecos Slope-Abo Gas Pool where infill drilling would be appropriate or necessary in order to efficiently and effectively recover gas reserves which would otherwise not be recovered.

(12) In selecting the proration units and well locations for the pilot project area, the applicant utilized the following criteria:

- a) the location must have good sand thickness as per Yates' geologic interpretation;
- b) the location must be on trend with good cumulative production; and,
- c) the location must be outside the calculated drainage areas of the existing wells.

(13) All of the proration units proposed to be included in the pilot project area, with the exception of the NE/4 of Section 8 and the SW/4 of Section 24, are completely offset by acreage owned or controlled by Yates Petroleum Corporation.

(14) The NE/4 of Section 8 is offset to the northeast by the Quail Federal Well No. 8, and the SW/4 of Section 24 is offset to the northwest by the Quail Federal Well No. 2, both Pecos Slope-Abo Gas Pool producing wells currently operated by Great Western Drilling Company.

(15) Notice of this application was provided to all operators in the Pecos Slope-Abo Gas Pool, including Great Western Drilling Company, and no operator and/or interest owner appeared in opposition to the application.

(16) Approval of the application will afford the applicant the opportunity to gather geologic and engineering data to:

- a) confirm its geologic interpretation of the reservoir;
- b) determine the extent of drainage within each respective proration unit by analyzing reservoir pressure and production data.

(17) Approval of the application should further enable the applicant to determine if the criteria it is using to select infill well locations is effective.

(18) Approval of the subject application and the implementation of the proposed pilot infill drilling project should result in the acquisition of information about the Pecos Slope-Abo Gas Pool which may aid in the ultimate determination as to the most effective method of developing the reservoir, thereby preventing waste.

(19) This case should be reopened at an examiner hearing in August, 1995, unless reopened at an earlier date at the request of the applicant or upon motion of the Division, at which time the applicant should be required to appear and present the geologic and engineering data it has acquired from the pilot project and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern the Pecos Slope-Abo Gas Pool.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Yates Petroleum Corporation, is hereby authorized to implement a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, by drilling an additional gas well within each of the following described standard 160-acre gas spacing and proration units:

**TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM**

Section 8: NE/4  
Section 11: SE/4  
Section 24: SW/4  
Section 26: NE/4  
Section 35: NE/4

(2) In addition, the applicant is authorized to include within the pilot project area and drill an additional well within Irregular Section 1, Township 6 South, Range 25 East, NMPM, being a non-standard gas spacing and proration unit comprising some 201.29 acres.

(3) The applicant is further authorized to produce both wells within each of the proration units described above unrestricted for a temporary period of two years for the purpose of gathering geologic and engineering data.

(4) This case shall be reopened at an examiner hearing in August, 1995, unless reopened at an earlier date at the request of the applicant or upon the motion of the Division, at which time the applicant shall appear and present the geologic and engineering data it has acquired from the pilot project and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern the Pecos Slope-Abo Gas Pool.

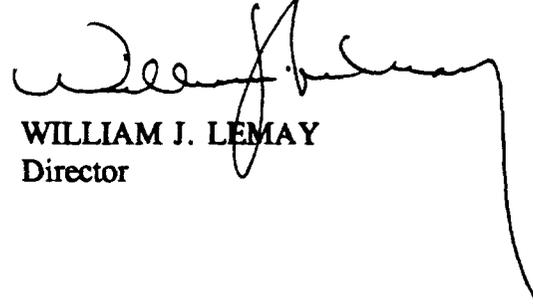
**CASE NO. 10793**  
**Order No. R-9976**  
**Page -5-**

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(5) Jurisdiction of this cause is hereby 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



WILLIAM J. LEMAY  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NOS. 10981 and 11004  
Order No. R-9976-A

APPLICATION OF YATES PETROLEUM CORPORATION  
TO AMEND DIVISION ORDER NO. R-9976 TO EXPAND  
ITS PILOT GAS ENHANCED RECOVERY PROJECT  
WITHIN PORTIONS OF THE PECOS SLOPE-ABO GAS  
POOL, CHAVES COUNTY, NEW MEXICO.

APPLICATION OF YATES PETROLEUM CORPORATION  
FOR THIRTEEN UNORTHODOX INFILL GAS WELL  
LOCATIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

Case No. 10981 came on for hearing at 8:15 a.m. on May 26, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

Case No. 11004 came on for hearing at 8:15 a.m. on June 23, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 26th day of July, 1994, the Division Director, having considered the testimony, the record, and the recommendations of the Examiners, and being fully advised in the premises,

FINDS THAT:

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

(2) By Order No. R-9976 issued in Case No. 10793 on September 24, 1993, the Division, upon application of Yates Petroleum Corporation, approved a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, for the purpose of allowing the applicant the opportunity to gather data to determine if infill drilling is necessary to effectively and efficiently drain the Abo formation.

(3) The applicant was initially authorized by said Order No. R-9976 to drill an infill gas well within each of the following described 160-acre standard gas proration units, and within a non-standard 201.29-acre gas spacing and proration unit comprising all of Irregular Section 1, Township 6 South, Range 25 East, NMPM:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM

Section 8: NE/4  
Section 11: SE/4  
Section 24: SW/4  
Section 26: NE/4  
Section 35: NE/4

(4) Order No. R-9976 further authorized the applicant to produce both wells within each of the proration units described above unrestricted for a temporary period of two years for the purpose of gathering geologic and engineering data.

(5) The applicant in Case No. 10981, Yates Petroleum Corporation, seeks to amend Division Order No. R-9976 to expand its pilot infill drilling program within the Pecos Slope-Abo Gas Pool by drilling an additional gas well on each of the following existing 160-acre standard gas proration units, and on a 166.0-acre non-standard gas proration unit comprising all of Irregular Section 5, Township 6 South, Range 26 East, NMPM:

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 16: NE/4  
Section 32: SW/4

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Section 7: NE/4  
Section 18: SE/4  
Section 19: SE/4  
Section 31: NE/4

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Section 3: SE/4  
Section 10: NW/4  
Section 11: SE/4  
Section 13: NW/4  
Section 15: NW/4  
Section 22: NW/4  
Section 25: NW/4  
Section 27: SE/4  
Section 33: SE/4

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 6: NE/4

Section 18: SE/4

Section 19: SW/4

Section 21: SE/4

(6) The applicant further seeks authority to produce both wells within the above-described proration units unrestricted until August, 1995, at which time Case No. 10793 is to be reopened pursuant to the provisions of Order No. R-9976, to allow the applicant to appear and present the results of the pilot infill drilling program and make recommendations, if applicable, to the rules which currently govern the Pecos-Slope Abo Gas Pool.

(7) In companion Case No. 11004, Yates Petroleum Corporation, seeks approval of thirteen unorthodox gas well locations within the existing or proposed expanded pilot infill drilling area in the Pecos Slope-Abo Gas Pool.

(8) Inasmuch as the subject matter of Case Nos. 10981 and 11004 are related, one order should be entered for both cases.

(9) The applicant presented the initial geologic and engineering results it obtained in the drilling of the six infill wells approved by Order No. R-9976. According to applicant's evidence and testimony, five of the six wells were deemed to have been geologically successful in terms of predicting and encountering sufficient sand thickness so as to establish commercial gas production.

(10) The engineering evidence and testimony presented by the applicant indicates that:

- a) all six wells encountered a reservoir pressure higher than the reservoir pressure within the existing well on the proration unit. Of the six, four wells encountered significantly higher reservoir pressures;
- b) four of the wells are currently producing at rates significantly higher than the average rate of the wells offsetting the proration unit;
- c) four of the wells should recover an average of 570 MMCF of gas reserves which would otherwise not be recovered by the existing well on the proration unit.

(11) The geologic and engineering data presented by the applicant indicates that four of the subject wells have encountered pay sands or low permeability portions of the reservoir which were not encountered and/or drained by the original well on the proration unit.

(12) The applicant contends that the results of the infill drilling conducted thus far are very encouraging but are inconclusive in determining whether infill drilling is necessary in the Pecos Slope-Abo Gas Pool.

(13) Division records indicate that the Pecos Slope-Abo Gas Pool embraces a substantially large area in portions of Townships 4 and 5 South, Ranges 24 and 25 East, and Townships 6, 7 and 8 South, Ranges 24, 25, 26 and 27 East, NMPM.

(14) The initial pilot infill drilling program was limited to areas within Township 6 South, Range 25 East, NMPM.

(15) The applicant's proposed expanded infill drilling program will encompass a much broader area of the pool than was tested in the initial pilot area.

(16) The reservoir characteristics are generally not consistent within the Pecos Slope-Abo Gas Pool and therefore additional geologic and engineering data reflecting a larger cross sectional area of the pool will be beneficial in determining the necessity of infill drilling.

(17) All of the proration units proposed to be included within the expanded pilot project area, with the exception of the SE/4 of Section 21, are completely offset by acreage owned or controlled by Yates Petroleum Corporation.

(18) The Catterson "SS" Federal Well No. 7, proposed to be drilled at an unorthodox location in the SE/4 of Section 21, will encroach on a tract owned by Merit Energy Company. The applicant presented, as evidence, a waiver of objection to the drilling of this infill well at the unorthodox location from Merit Energy Company.

(19) Notice of this application was provided to all operators in the Pecos Slope-Abo Gas Pool, and no operator and/or interest owner appeared in opposition to the application.

(20) Approval of the expansion of the pilot infill drilling program should result in the acquisition of additional and more thorough geologic and engineering data regarding the Pecos Slope-Abo Gas Pool which may ultimately aid in the determination as to the most effective method of developing the reservoir, thereby preventing waste.

(21) The applicant further seeks unorthodox location approval for the following described wells which are located within the original infill drilling pilot area:

<u>WELL NAME &amp; NUMBER</u>	<u>WELL LOCATION</u>
Kilgore "SO" No. 3	2310' FSL & 1980' FWL (Unit K) 24-6S-25E
Sacra "SA" Com No. 11	2310' FNL & 2310' FEL (Unit G) 35-6S-25E

(22) In addition, the applicant seeks unorthodox location approval for the following eleven wells to be located within the expanded infill drilling pilot area:

<u>WELL NAME &amp; NUMBER</u>	<u>WELL LOCATION</u>
Paulette "PV" State No. 5	2310' FNL & 1650' FEL (Unit G) 16-5S-25E
Dee "OQ" State No. 5	2310' FSL & 2310' FWL (Unit K) 32-5S-25E
Hansel "ANH" Federal Com No. 1	2110' FNL & 790' FEL (Unit H) 7-6S-26E
Savage "NI" Federal No. 5	2310' FSL & 990' FEL (Unit I) 19-6S-26E
Federal "HJ" No. 11	2080' FNL & 1650' FEL (Unit G) 31-6S-26E
Thorpe "MI" Federal No. 15	990' FNL & 2310' FWL (Unit C) 22-7S-25E
Federal "HY" No. 13	2310' FSL & 460' FEL (Unit I) 33-7S-25E
Crandall "UD" No. 2	510' FNL & 1980' FEL (Unit B) 6-7S-26E
Leeman "OC" Federal No. 5	2310' FSL & 1980' FEL (Unit J) 18-7S-26E
Nickey "RF" Federal No. 3	2310' FSL & 2310' FWL (Unit K) 19-7S-26E
Catterson "SS" Federal No. 7	2310' FSL & 790' FEL (Unit I) 21-7S-26E

(23) Applicant's testimony indicates that the above-described unorthodox gas well locations are geologically necessary in order to maximize sand thickness within the various pay intervals. In addition, the unorthodox locations are adjacent to and on trend with existing gas wells exhibiting substantial cumulative production.

(24) All of the affected offset acreage to the proposed unorthodox gas well locations is owned and controlled by Yates Petroleum Corporation with the exception of the SE/4 of Section 21 as described in Finding No. (18) above.

(25) No offset operator and/or interest owner appeared at the hearing(s) in opposition to the proposed unorthodox locations.

(26) The proposed unorthodox gas well locations should be approved.

(27) Case No. 10981 should be reopened in conjunction with Case No. 10793 at an examiner hearing in August, 1995, unless reopened at an earlier date at the request of the applicant or upon motion of the Division, at which time the applicant should be required to appear and present the geologic and engineering data it has acquired from the pilot project and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern the Pecos Slope-Abo Gas Pool.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Yates Petroleum Corporation, is hereby authorized to expand its pilot infill drilling program within the Pecos Slope-Abo Gas Pool by drilling an additional gas well on each of the following existing 160-acre standard gas proration units, and on a 166.0-acre non-standard gas proration unit comprising all of Irregular Section 5, Township 6 South, Range 26 East, NMPM:

**TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM**

Section 16: NE/4  
Section 32: SW/4

**TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM**

Section 7: NE/4  
Section 18: SE/4  
Section 19: SE/4  
Section 31: NE/4

**TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM**

Section 3: SE/4  
Section 10: NW/4  
Section 11: SE/4  
Section 13: NW/4  
Section 15: NW/4  
Section 22: NW/4  
Section 25: NW/4  
Section 27: SE/4  
Section 33: SE/4

**TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM**

Section 6: NE/4  
Section 18: SE/4  
Section 19: SW/4  
Section 21: SE/4

(2) Each of the gas proration units described above shall be simultaneously dedicated to the existing well and to an infill well to be drilled by the applicant.

(3) The applicant is further authorized to produce both wells within the above-described proration units unrestricted until August, 1995.

(4) This case shall be reopened in conjunction with Case No. 10793 at an examiner hearing in August, 1995, unless reopened at an earlier date at the request of the applicant or upon motion of the Division, at which time the applicant shall appear and present the geologic and engineering data it has acquired from the pilot project and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern the Pecos Slope-Abo Gas Pool.

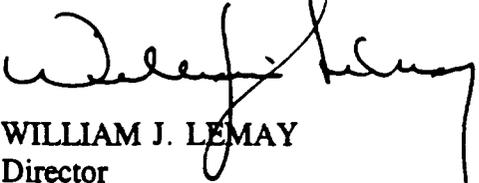
(5) The applicant is further authorized to drill the following infill gas wells at unorthodox locations:

<u>WELL NAME &amp; NUMBER</u>	<u>WELL LOCATION</u>
Kilgore "SO" No. 3	2310' FSL & 1980' FWL (Unit K) 24-6S-25E
Sacra "SA" Com No. 11	2310' FNL & 2310' FEL (Unit G) 35-6S-25E
Paulette "PV" State No. 5	2310' FNL & 1650' FEL (Unit G) 16-5S-25E
Dee "OQ" State No. 5	2310' FSL & 2310' FWL (Unit K) 32-5S-25E
Hansel "ANH" Federal Com No. 1	2110' FNL & 790' FEL (Unit H) 7-6S-26E
Savage "NI" Federal No. 5	2310' FSL & 990' FEL (Unit I) 19-6S-26E
Federal "HJ" No. 11	2080' FNL & 1650' FEL (Unit G) 31-6S-26E
Thorpe "MI" Federal No. 15	990' FNL & 2310' FWL (Unit C) 22-7S-25E
Federal "HY" No. 13	2310' FSL & 460' FEL (Unit I) 33-7S-25E
Crandall "UD" No. 2	510' FNL & 1980' FEL (Unit B) 6-7S-26E
Leeman "OC" Federal No. 5	2310' FSL & 1980' FEL (Unit J) 18-7S-26E
Nickey "RF" Federal No. 3	2310' FSL & 2310' FWL (Unit K) 19-7S-26E
Catterson "SS" Federal No. 7	2310' FSL & 790' FEL (Unit I) 21-7S-26E

(6) Jurisdiction of this cause is hereby 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

  
WILLIAM J. LEMAY  
Director

S E A L

August 4, 1995

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 116



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

UNITED STATES  
POSTAL SERVICE

Sent to	Yates Petroleum Corp.
Street and No.	105 South Fourth Street
P.O., State and ZIP Code	Artesia, New Mexico 88210
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

**Fold at line over top of envelope to the right of the return address**

Thank you for using Return Receipt Service.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

5. Signature (Addressee)  
*[Signature]*

6. Signature (Agent)  
*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

7. Date of Return Receipt for Merchandise  
**Aug 10 1995**

4a. Article Number  
P 176 013 116

4b. Service Type  
 Registered  
 Insured  
 Certified  
 COD  
 Express Mail  
 Return Receipt for Merchandise

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address

2.  Restricted Delivery

Consult postmaster for fee.

August 7, 1995

Tide West Oil Company  
6666 S. Sheridan, Suite 250  
Tulsa, Oklahoma 74133

Gentlemen:

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This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

7 9 7 E 1 0 9 1 7 P

**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)



Sent to	Tide West Oil Company
Street and No.	6666 S. Sheridan, Ste 250
P.O., State and Zip Code	Tulsa, Oklahoma 74133
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date of Delivery	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Thank you for using Return Receipt Service.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
Tide West Oil Company  
6666 S. Sheridan, Suite 250  
Tulsa, Oklahoma 74133

4a. Article Number  
P 176 013 367

4b. Service Type  
 Insured  
 Registered  
 Certified  
 Express Mail  
 Return Receipt for Merchandise

7. Date of Delivery  
8/11/95

8. Addressee's Address (Only if requested - and fee is paid)

5. Signature (Addressee)  
6. Signature (Agent)

PS Form 3811, December 1991 #U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?

August 7, 1995

Western Reserves Oil Co. Inc.  
Post Office Box 993  
Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 351



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

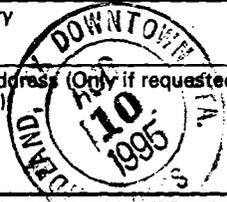
Sent to	Western Reserves Oil Co.
Street and No.	
P.O. Box 993	
P.O., State, and ZIP Code	Midland, Texas 79702
Postage	\$
Confidential Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

<p><b>SENDER:</b></p> <ul style="list-style-type: none"> <li>• Complete items 1 and/or 2 for additional services.</li> <li>• Complete items 3, and 4a &amp; b.</li> <li>• Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>• Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>• Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>• The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>Western Reserves Oil Co. Inc. Post Office Box 993 Midland, Texas 79702</p>		<p>4a. Article Number</p> <p>P 176 013 351</p>	
<p>5. Signature (Addressee)</p> <p><i>L. Chapman</i></p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>6. Signature (Agent)</p>		<p>7. Date of Delivery</p>	
		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	



Thank you for using Return Receipt Service.

August 4, 1995

Maralo Inc.  
Post Office Box 832  
Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 Maralo Inc.  
 Post Office Box 832  
 Midland, Texas 79702

5. Signature (Addressee)  
*D. Guegan*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

7. Date of Delivery: **NOV 10 1995**

4b. Service Type  
 Registered  
 Insured  
 Certified  
 Express Mail  
 Return Receipt for Merchandise

4a. Article Number: **P 176 013 160**

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):

Thank you for using Return Receipt Service.

P 176 013 160

Receipt for Certified Mail

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

Sent to: **Maralo, Inc.**  
 Street and NO

**Post Office Box 832**  
 P O State and Zip Code  
**Midland, Texas 79702**  
 Postage

Certified Fee: \$

Special Delivery Fee:

Restricted Delivery Fee:

Return Receipt Showing to Whom & Date Delivered:

Return Receipt Showing to Whom, Date, and Addressee's Address & Fees:

TOTAL Postage: \$

Postmark or Date:

Fold at line over top of envelope to the right of the return address

August 4, 1995

Pecos River Op. Inc.  
Post Office Box 1675  
Roswell, New Mexico 88202

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 346

**Receipt for Certified Mail**



No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Pecos River Op., Inc.
Street and No.	Post Office Box 1675
P.O., State and ZIP Code	Roswell, New Mexico 88202
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "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.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Pecos River Op. Inc.  
Post Office Box 1675  
Roswell, New Mexico 88202

5. Signature (Addressee)  
*Bernard O. Luvvick*

6. Signature (Agent)

4a. Article Number  
P 176 013 346

4b. Service Type  
 Registered     Insured  
 Certified     COD  
 Express Mail     Return Receipt for Merchandise

7. Date of Delivery  
9-10-95

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

August 4, 1995

Myco Industries Inc.  
Post Office Box 840  
Artesia, New Mexico 88211

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 403

### Receipt for Certified Mail



No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Myco Industries Inc.
Street and No	Post Office Box 840
P.O. State and ZIP Code	Artesia, N. Mex. 88211
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

**Is your RETURN ADDRESS completed on the reverse side?**

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
Myco Industries Inc.  
Post Office Box 840  
Artesia, New Mexico 88211

4a. Article Number  
P 176 013 403

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
6-10-95

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)  
*Soni Hamilton*

6. Signature (Agent)

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Return Receipt Service.

Thank you for using

DOMESTIC RETURN RECEIPT

PS Form 3811, December 1991 \* U.S.G.P.O. : 1992-307-530

August 7, 1995

Southeastern Petroleum Inc.  
Post Office Box 1893  
Roswell, New Mexico 88202

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 398



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Southeastern Pet. Inc.
Street and No.	
P. O. Box 1893	
P.O., State and ZIP Code	Roswell, New Mexico 88202
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Southeastern Petroleum Inc.  
Post Office Box 1893  
Roswell, New Mexico 88202

4a. Article Number

P 176 013 398

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered           | <input type="checkbox"/> Insured                        |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD                            |
| <input type="checkbox"/> Express Mail         | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

8-15-95

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

August 7, 1995

Sensor Oil & Gas Inc.  
Enterprise Plaza, Suite 200  
5600 N. May Avenue  
Oklahoma City, Oklahoma 73112

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 188

**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

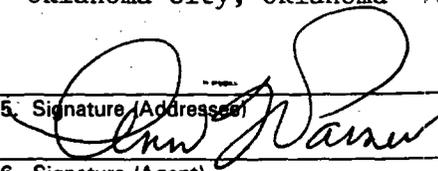


Sent to	Sensor Oil & Gas Inc.
Street and No.	Enterprise Plaza, Ste 200
City, State, and Zip	5600 N. May Avenue Oklahoma City, Ok. 73112
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt - Invoiced to Whom & Date Delivered	
Return Receipt - Showed to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> <ul style="list-style-type: none"> <li>• Complete items 1 and/or 2 for additional services.</li> <li>• Complete items 3, and 4a &amp; b.</li> <li>• Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>• Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>• Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>• The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>		I also wish to receive the following services (for an extra fee): <ol style="list-style-type: none"> <li><input type="checkbox"/> Addressee's Address</li> <li><input type="checkbox"/> Restricted Delivery</li> </ol> Consult postmaster for fee.	
3. Article Addressed to: Sensor Oil & Gas Inc. Enterprise Plaza, Suite 200 5600 N. May Avenue Oklahoma City, Oklahoma 73112		4a. Article Number P 176 013 188	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 8-17-95	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

August 4, 1995

Sanders Oil & Gas Company  
Post Office Box 797005  
Dallas, Texas 75379

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 350

### Receipt for Certified Mail



No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Sanders Oil & Gas Co.
Street and No.	
P.O. Box	797005
P.O., State and ZIP Code	
Postage	Dallas, Texas 75379
Certified Fee	\$
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Sanders Oil & Gas Company  
Post Office Box 797005  
Dallas, Texas 75379

5. Signature (Addressee)  
*Kay [Signature]*

6. Signature (Agent)

4a. Article Number  
P 176 013 350

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise

7. Date of Delivery  
8/24/85

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

August 4, 1995

Sanders Petroleum Corporation  
Post Office Box 2918  
Roswell, New Mexico 88201

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

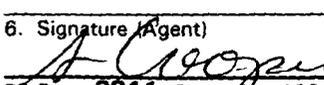
Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> <ul style="list-style-type: none"> <li>• Complete items 1 and/or 2 for additional services.</li> <li>• Complete items 3, and 4a &amp; b.</li> <li>• Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>• Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>• Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>• The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>		I also wish to receive the following services (for an extra fee): <ol style="list-style-type: none"> <li><input type="checkbox"/> Addressee's Address</li> <li><input type="checkbox"/> Restricted Delivery</li> </ol> Consult postmaster for fee.	
3. Article Addressed to: Sanders Petroleum Corporation Post Office Box 2918 Roswell, New Mexico 88201		4a. Article Number P 176 013 340	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) 		7. Date of Delivery 8-10-95	
		8. Addressee's Address (Only if requested and fee is paid)	

P 176 013 340

**Receipt for Certified Mail**  
 No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

Sent to	Sanders Petroleum Corp.
Street and No.	Post Office Box 2918
P.O. State and ZIP Code	Roswell, New Mexico 88201
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom Date, and Addressee's Address	\$
TOTAL Postage & Fees	
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Thank you for using Return Receipt Service.

August 4, 1995

Samedan Oil Corporation  
10 Desta Drive, Suite 240E  
Midland, Texas 79705

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 185



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Samedan Oil Corporation
Street and No.	10 Desta Drive, Ste. 240E
P.O., State, and ZIP Code	Midland, Texas 79705
Postage	\$
Certified Fee	\$
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

**Fold at line over top of envelope to the right of the return address**

Thank you for using Return Receipt Service.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: Samedan Oil Corporation  
10 Desta Drive, Suite 240E  
Midland, Texas 79705

4a. Article Number: P 176 013 185

4b. Service Type:  Registered  Insured  Certified  COD  Express Mail  Return Receipt for Merchandise

7. Date of Delivery: 8/17

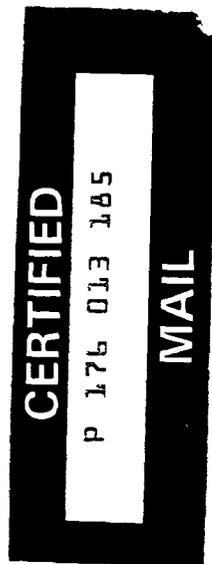
8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent): *[Signature]*

Is your RETURN ADDRESS completed on the reverse side?

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505



RETURN RECEIPT REQUESTED

Samedan Oil Corporation  
10 Desta Drive, Suite 240E  
Midland, Texas 79705

*F.N.F.*

RETURN TO SENDER 2016 06/13/95  
THIS BARCODE IS FOR  
THE RETURN ADDRESS  
FORWARDING EXPIRED  
87505-9998

*12-21-8*



August 7, 1995

Summit Resources  
4101 SW 45th Street, Suite 1702  
Amarillo, Texas 79109

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Oil Conservation Division  
 2040 S. Pacheco  
 Santa Fe, New Mexico 87505

Summit Resources  
 4101 SW 45th Street, Suite 1702  
 Amarillo, Texas 79109

*Handwritten:* 8/11, 8/15, 8/22

**CERTIFIED**  
 P 176 013 397  
**MAIL**

RETURN RECEIPT REQUESTED

P 176 013 397



**Receipt for Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

Sent to	
Summit Resources	
Street and No.	
4101 SW 45th St., Ste. 1702	
P. O. State and ZIP Code	
Amarillo, Texas 79109	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

**Fold at line over top of envelope to the right of the return address**

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

1 also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
 Summit Resources  
 4101 SW 45th Street, Suite 1702  
 Amarillo, Texas 79109

4a. Article Number  
 P 176 013 397

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 \*U.S. GPO: 1992-323-002 DOMESTIC RETURN RECEIPT

- STICK POSTAGE STAMPS TO APPLY TO COVER FIRST CLASS POSTAGE CERTIFIED MAIL FEE and Edwards's FORM SELECTED OPTIONAL SERVICES (see front).
1. If you want the return postmarked, check the optional stub to the right of the return address (keeping the receipt attached) and present the article at a post office service window or hand it to your local carrier (see extra charge).
  2. If you do not want the receipt postmarked, check the optional stub to the right of the return address; or the article may be mailed in an envelope and mail the article.
  3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card (Form 3811), and attach it to the front of the article by means of the gummed ends of space provided. Otherwise, affix the label of article number and of article RETURN RECEIPT REQUESTED adjacent to the address.
  4. If you want delivery restricted to the addressee, check the authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.
  5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable block in item 1 of Form 3811.
  6. Save this receipt and present it if you make inquiry.

August 4 1995

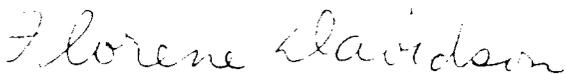
Great Western Drilling Company  
Post Office Box 1659  
Midland, Texas 79701

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc

P 176 013 200



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Great Western Drlg. Co.
Street and No.	
Post Office Box	1659
P. O., State and ZIP Code	Midland, Texas 79701
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

#### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Great Western Drilling Company  
Post Office Box 1659  
Midland, Texas 79701

4a. Article Number  
P 176 013 200

4b. Service Type

Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
8-11-95

5. Signature (Addressee)

6. Signature (Agent)  
*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

August 4, 1995

Jack J. Grynberg  
5000 South Quebec, Suite 500  
Denver, Colorado 80237

Gentlemen:

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

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I also wish to receive the following services (for an extra fee):

1.  Addressee's Address
2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
 Jack J. Grynberg  
 5000 South Quebec  
 Denver, Colorado 80237



4a. Article Number  
 P 176 013 093

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise

7. Date of Delivery  
 8/10/95

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)  
*Deana Garland*

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

P 176 013 093

**Receipt for Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)



Sent to	Jack J. Grynberg
Street and No	5000 South Quebec, Ste. 500
P.O. State and ZIP Code	Denver, Colorado 80237
Postage	\$
Certified Fee	\$
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

August 4, 1995

N. Dale Nichols  
Post Office Box 1972  
Midland, Texas 79702

Gentlemen:

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 202

**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)



Sent to	N. Dale Nichols
Street and No.	Post Office Box 1972
P.O., State and ZIP Code	Midland, Texas 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

**Fold at line over top of envelope to the right of the return address**

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
N. Dale Nichols  
Post Office Box 1972  
Midland, Texas 79702

4a. Article Number  
P 176 013 202

4b. Service Type  
 Registered       Insured  
 Certified       COD  
 Express Mail       Return Receipt for Merchandise

7. Date of Delivery  
8-10-95

5. Signature (Addressee)  
*Brendo Nichole*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. 1992-307-530/ DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

August 4, 1995

The Eastland Oil Company  
Post Office Drawer 3488  
Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 201



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Sent to	The Eastland Oil Company
Street and No.	P. O. Drawer 3488
P.O. State and ZIP Code	Midland, Texas 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
The Eastland Oil Company  
Post Office Drawer 3488  
Midland, Texas 79702

4a. Article Number  
P 176 013 201

4b. Service Type

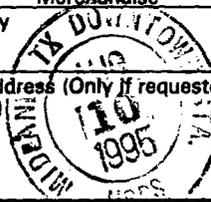
- Registered  Insured
- Certified  COD
- Express Mail  Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)  
*David Thompson*



Thank you for using Return Receipt Service.

August 4, 1995

Burgundy Oil & Gas of New Mexico Inc.  
401 W. Texas, Suite 1003  
Midland, Texas 79701

Gentlemen:

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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- Complete items 3, and 4a & b.
- 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 mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address
2.  Restricted Delivery  
Consult postmaster for fee.

3. Article Addressed to:

Burgundy Oil & Gas of N. Mex. Inc  
401 W. Texas, Suite 1003  
Midland, Texas 79701

5. Signature (Addressee)  
*[Signature]*

6. Signature (Agent)

4a. Article Number  
P 176 013 328

4b. Service Type

Registered  Insured

Certified  COD

Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
8-10-95

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

P 176 013 328

**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)



Sent to	Burgundy Oil & Gas of NM Inc.
Street and No.	401 W. Texas, Suite 1003
P.O., State and ZIP Code	Midland, Texas 79701
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

August 4, 1995

Carl A. Schelling  
Post Office Box 447  
Roswell, New Mexico 88201

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

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Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

P 176 013 402

**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)



Sent to	Carl A. Schellinger
Street and No.	Post Office Box 447
P.O. State and ZIP Code	Roswell, New Mexico 88201
Postage	\$
Certified Fee	
Special Delivery Fee	
Restriction Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

**Is your RETURN ADDRESS completed on the reverse side?**

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Carl A. Schellinger  
Post Office Box 447  
Roswell, New Mexico 88201

4a. Article Number  
P 176 013 402

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise

7. Date of Delivery  
8-10-95

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)  
*Regina Finley*

PS Form 3811, December 1991 \* U.S.G.P.O.: 1992-307-530

**DOMESTIC RETURN RECEIPT**

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August 4, 1995

Manzano Oil Corporation  
Post Office Box 2107  
Roswell, New Mexico 88202

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
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3. Article Addressed to:  
 Manzano Oil Corporation  
 Post Office Box 2107  
 Roswell, New Mexico 88202

4a. Article Number  
 P 176 013 353

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8-10-95

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service

P 176 013 353

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Sent to	Manzano Oil Corporation
Street and No.	Post Office Box 2107
P.O., State and ZIP Code	Roswell, New Mexico 88202
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Fold at line over top of envelope to the right of the return address

August 4, 1995

McKay Oil Corporation  
#1 McKay Place  
Roswell, New Mexico 88201

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

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PS Form 3811, December 1991 \* U.S.G.P.O. : 1992-307-530

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3. Article Addressed to:  
 McKay Oil Corporation  
 #1 McKay Place  
 Roswell, New Mexico 88201

5. Signature (Addressee)  
 [Signature]

6. Signature (Agent)  
 [Signature]

7. Date of Delivery  
 8-10-95

8. Addressee's Address (Only if requested and fee is paid)

4b. Service Type  
 Registered  
 Insured  
 Certified  
 Express Mail  
 Return Receipt for Merchandise

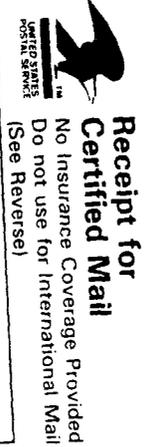
4a. Article Number  
 P 176 013 159

1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):

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P 176 013 154



PS Form 3800, June 1991

Sent to  
 McKay Oil Corporation  
 #1 McKay Place  
 Roswell, N. M. 88201

P.O., State and ZIP Code  
 Roswell, N. M. 88201

Postage \$

Certified Fee

Special Postage Fee

Postnet Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, and Addressee's Address

TOTAL Postage & Fees \$

Postmark or Date

Fold at line over top of envelope to the right of the return address

August 4, 1995

Primero Operating Inc.  
Post Office Box 1433  
Roswell, New Mexico 88202

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

*Florene Davidson*

Florene Davidson  
OC Staff Specialist

enc.

P 176 013 187



Receipt for Certified Mail  
No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	Primero Operating Inc.
Street and No	Post Office Box 1433
P.O., State, and Zip Code	Roswell, New Mexico 88202
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
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PS Form 3800, June 1991

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Primero Operating Inc.  
Post Office Box 1433  
Roswell, New Mexico 88202

4a. Article Number  
P 176 013 187

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
8-10-95

5. Signature (Addressee)  
*[Signature]*

6. Signature (Agent)  
*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

August 4, 1995

Petroleum Development Corporation  
9720 B Candelaria, NE  
Albuquerque, New Mexico 87112

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

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3. Article Addressed to:  
 Petroleum Development Corporation  
 9720 B Candelaria, NE  
 Albuquerque, New Mexico 87112

4a. Article Number  
 P 176 013 348

4b. Service Type  
 Registered     Insured  
 Certified     COD  
 Express Mail     Return Receipt for Merchandise

7. Date of Delivery  
 8/9/91

5. Signature (Addressee)  
*Sandra Sandy*

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.

P 176 013 348

**Receipt for Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
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Sent to	Petroleum Development Corp.
Street and No.	9720 B Candelaria, NE
P.O. State and ZIP Code	Albuquerque, N. M. 87112
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Fold at line over top of envelope to the right of the return address

August 4, 1995

Read & Stevens Inc.,  
Post Office Box 1518  
Roswell, New Mexico 88202-1518

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

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**SENDER:**

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- Complete items 3, and 4a & b.
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3. Article Addressed to:  
 Read & Stevens Inc.  
 Post Office Box 1518  
 Roswell, New Mexico 88202-1518

4a. Article Number  
 P 176 013 186

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 8-10-95

5. Signature (Addressee)  
*A. Seithemer*

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-323-402 **DOMESTIC RETURN RECEIPT**

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P 176 013 186



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Sent to	Read & Stevens Inc.
Street and No.	P. O. Box 1518
P. O. State and ZIP Code	Roswell, New Mexico 88202-151
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

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August 4, 1995

Jalapeno Corporation  
Post Office Box 1608  
Albuquerque, New Mexico

Gentlemen:

In accordance with the provisions of Division Orders Nos. R-9976 and R-9976-A entered on September 24, 1993, and July 26, 1994, respectively, the Oil Conservation Division is reopening Cases Nos. 10793, 10981, and 11004 in order for Yates Petroleum Corporation, the applicant in said cases, to appear and present the geologic and engineering data it has acquired from its pilot infill drilling program in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and make recommendations to the Division concerning amendments, if any are applicable, to the rules which currently govern said Pecos Slope-Abo Gas Pool.

This case will be heard before an examiner on August 24, 1995, at the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,



Florene Davidson  
OC Staff Specialist

enc.

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3. Article Addressed to:  
 Jalapeno Corporation  
 Post Office Box 1608  
 Albuquerque, New Mexico 87102

4a. Article Number  
 P 176 013 354

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
 AUG 17 1995

5. Signature (Addressee)  
 [Signature]

6. Signature (Agent)  
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)



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PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530 **DOMESTIC RETURN RECEIPT**

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PS Form 3800, June 1991

Sent to	Jalapeno Corporation
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P.O., State and ZIP Code	Albuquerque, N. M.
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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P 176 013 354

CAMPBELL, CARR & BERGE, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE

MICHAEL H. FELDEWERT  
TANNIS L. FOX  
TANYA M. TRUJILLO  
PAUL R. OWEN

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  
TELECOPIER: (505) 983-6043

October 24, 1995

HAND-DELIVERED

Mr. Michael E. Stogner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Rand Carroll, Esq.  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RECEIVED

OCT 24 1995

Oil Conservation Division

Re: Motion of Tide West Oil Company in Opposition to Consolidation  
NMOCD Case Nos. 10793, 10981 and 11004 (Reopened)  
Pecos Slope-Abo Gas Pool, Chaves County, New Mexico

Gentlemen:

On October 9, 1995, W. Thomas Kellahin, attorney for Tide West Oil Company, wrote the Division and expressed Tide West's opposition to the consolidation of certain cases at the November 2, 1995 Examiner hearing. Mr. Kellahin's request is in fact a request for continuance of the Yates application for special pool rules for the Pecos Slope-Abo Gas Pool, West Pecos Slope-Abo Gas Pool and the South Pecos Slope-Abo Gas Pool for at least sixty (60) days after Yates reports the results of its infill pilot project in the Pecos Slope-Abo Gas Pool.

Mr. Michael E. Stogner  
Rand Carroll, Esq.  
October 24, 1995  
Page 2

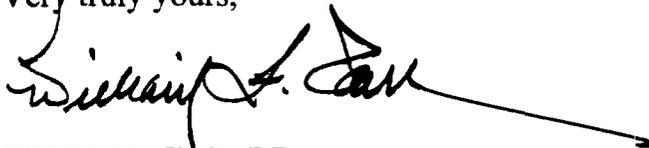
Yates Petroleum Corporation will be prepared to present the results of its Pecos Slope-Abo Gas Pool Pilot Project and make recommendations for special pool rules at the November 2nd hearing in Roswell. To bifurcate this presentation, as Mr. Kellahin suggests, simply makes no sense. The results of the Yates Pecos Slope Pilot Project and its recommendation for special pool rules are so interrelated that to separate the two would prevent a full discussion of all issues on November 2, 1995. Furthermore, one of the primary reasons for holding the November 2nd hearing in Roswell, is to afford to as many affected interest owners as possible the opportunity to hear the results of the Yates study and the recommended changes in pool rules resulting therefrom.

These cases are before the Division on the application of Yates Petroleum Corporation. Yates, with Oil Conservation Division approval, has undertaken the effort at its own expense to study the issue of infill drilling in the Abo formation in this area. If Tide West felt an industry study with other operators was needed, as it now appears to suggest, perhaps, like Yates, it should have undertaken this effort some time ago.

To seek a continuance of this case without at least having seen the Yates Petroleum Corporation presentation, appears to be only an unreasonable effort to delay these proceedings and the development of appropriate rules for future development of these pools.

Yates Petroleum Corporation opposes the request of Tide West Oil Company to continue the special pool rules hearings now scheduled to be heard before the Division in Roswell, on November 2, 1995.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal line extending to the right from the end of the signature.

WILLIAM F. CARR  
ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

cc: W. Thomas Kellahin, Esq.  
Attorney for Tide West Oil Company

Mr. Randy Patterson  
Yates Petroleum Corporation

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 9, 1995

Mr. Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**HAND DELIVERED**

Rand Carroll, Esq.  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

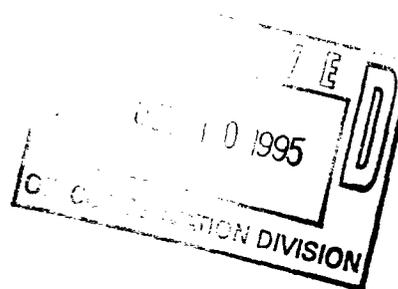
**HAND DELIVERED**

**Re: MOTION IN OPPOSITION TO CONSOLIDATION**  
*NMOCD Case Nos. 10793, 10981 and 11004 (Reopened)*  
*PECOS SLOPE-ABO GAS POOL Chaves County, New Mexico*

*Case 10793 (Order R-9976)*  
*Application of Yates Petroleum Corporation*  
*for a Pilot Gas Project*

*Case 10981 (Order R-9976-A)*  
*Application of Yates Petroleum Corporation*  
*to Expand its Pilot Gas Project*

*Case 11004 Order R-9976-A*  
*Application of Yates Petroleum Corporation*  
*for 13 unorthodox Infill Gas Well Locations*



Gentlemen:

Ordering Paragraph (4) of Division Order R-9976-A issued July 26, 1994, required that Case 10793 be Reopened in 1995 so that Yates Petroleum Corporation could appear at a public hearing and present geologic and engineering data it has acquired from the pilot project and make recommendations to the Division concerning amendments, if any to the rules for the Pecos Slope-Abo Gas Pool.

We understand that the Division is preparing its November 2, 1995 Examiner's docket to be heard in Roswell, New Mexico and contemplates consolidating for hearing (a) the referenced report from Yates and (b) consideration of amending the pool rules to provide for gas prorationing and infill drilling on a pool wide basis.

Oil Conservation Division  
October 9, 1995  
Page 2.

On behalf of Tide West Oil Company, we are opposed to hearing these two matters together on the same docket. In order to have an adequate opportunity to effectively prepare for and participate in a hearing on the pool rules, we consider it essential to have Yates make its report to the Division on the technical data Yates developed concerning its infill program. To consider at the same time both the Yates' infill program **and** a pool rule hearing provides no opportunity to study Yates' technical data and to discuss with the other operators in the pool whether prorationing and/or infill drilling is warranted. This is a substantial issue involving hundreds of wells and interest owners and to act prematurely on pool rule changes may require the drilling of offset drainage protection wells which in fact may not be necessary and may not result in increasing ultimate pool recovery.

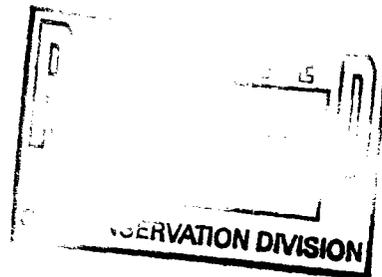
Therefore, on behalf of Tide West Oil Company, I move that the Division continue any pool rule hearing for a period of not less than sixty 60 days after Yates has completed its presentation required by Order R-7796-A.

Very truly yours,



W. Thomas Kellahin

cc: *William F. Carr, Esq.*  
*Attorney for Yates Petroleum Corporation*  
cc: *Tide West Oil Company*  
*Attn: Bob VonRhee*



**OIL CONSERVATION DIVISION**

October 30, 1995

*Kellabin and Kellabin*  
*Attn: W. Thomas Kellabin*  
*P. O. Box 2265*  
*Santa Fe, New Mexico 87504-2265*

*Telefax No. (505) 982-2047*

*Campbell, Carr & Berge, P.A.*  
*Attn: William F. Carr*  
*P. O. Box 2208*  
*Santa Fe, New Mexico 87504-2208*

*Telefax No. (505) 983-6043*

*Re: In the matter of Case Nos. 10,793, 10981, and 11004 being reopened pursuant to the provisions of Division Order Nos. R-9976 and R-9976-A, which orders established a "pilot infill drilling program" in the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico and for an order promulgating special rules and regulations for said pool.*

*Dear Messrs. Kellabin and Carr:*

*Reference is made to Tide West Oil Company's motion by letter dated October 9, 1995 to continue that portion of this case requesting special pool rules for a period of 60-days after Yates Petroleum Corporation has presented the results of its "infill pilot program" at the Examiner's hearing scheduled for Thursday, November, 2, 1995 at Roswell, New Mexico and to the response by letter dated October 24, 1995 from Yates. Since much preparation has been made by the Division to have this matter heard and such related technical data presented at a hearing in Chaves County, New Mexico in an effort to have as many affected interest owners the opportunity to the results of such project, Tide West's request is hereby denied at this time.*

*Sincerely,*



*Michael E. Stogner*  
*Chief Hearing Officer/Engineer*

*cc: Oil Conservation Division - Artesia*  
*William J. LeMay, Director - OCD, Santa Fe*  
*Rand Carroll, Counsel - OCD, Santa Fe*  
*File: Case 10,793*  
*Case 10,981*  
*Case 11,004*



State of New Mexico  
OIL CONSERVATION COMMISSION

*From*

MICHAEL E. STOGNER  
PETROLEUM ENGINEER

Memo

*To* *Yata Petroleum Corp.*  
*Reopened Case Nos.*  
*10793, 10981, 11004*

---

*Per my telephone w/ Wm. F. Carr*  
*this matter will be continued to*  
*November 2, 1995*

P.O. BOX 2088  
LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
505-827-5811

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

November 16, 1995

**HAND DELIVERED**

William F. Carr, Esq.  
Campbell Carr and Berg  
P. O. Box 2208  
New Mexico, New Mexico 87501

COPY

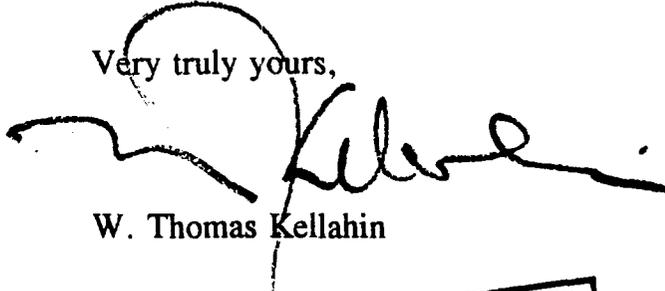
Re: **REQUEST FOR PRODUCTION OF DATA**  
NMOCD Cases 10793, 10981 & 11004:  
Applications of Yates Petroleum Corporation  
including "Infill Drilling" for the Pecos Slope-Abo Gas Pool,  
Chaves County, New Mexico

Dear Mr. Carr:

On November 2, 1995, Examiner Stogner granted my motion on behalf of Tide West Oil Company, requiring that Yates Petroleum Corporation provide to me a true and accurate copy of all of its decline curves for all its infill wells in phase one and phase two of its infill drilling program.

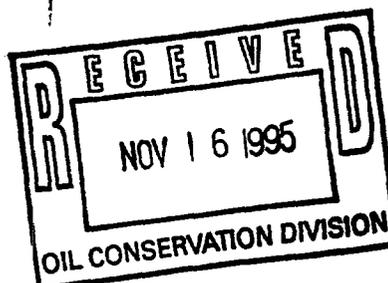
As of today, that data has not been provided. Please immediate provide me with the data as ordered by the Examiner.

Very truly yours,



W. Thomas Kellahin

cc: Michael E. Stogner, NMOCD  
cc: Tide West Oil Company  
Attn: Bob VonRhee



CAMPBELL, CARR & BERGE, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE

MICHAEL H. FELDEWERT  
TANNIS L. FOX  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
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JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

November 20, 1995

**HAND-DELIVERED**

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
El Patio Building  
117 North Guadalupe Street  
Santa Fe, New Mexico 87501

RECEIVED  
NOV 24 1995  
Oil Conservation Division

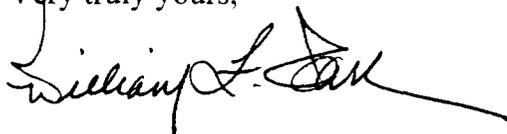
Re: New Mexico Oil Conservation Division Cases 10793, 10981 and 11004:  
Yates Petroleum Corporation  
Pilot Enhanced Recovery Project  
Pecos Slope Abo Gas Pool, Chaves County, New Mexico

Dear Mr. Kellahin:

Enclosed are copies of Yates Petroleum Corporation's decline curves for its infill wells in Phase I and Phase II of its pilot infill drilling program in the Pecos Slope Abo Gas Pool.

As usual, I note that you decided to send demand letters to me early in a week in which you knew I would be out of town and unavailable for response. Copying these letters to the Examiner suggests to me that you are more interested in posturing before the Division than acquiring information.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enc.

cc: ✓ Mr. Michael E. Stogner (w/enclosures)  
Mr. Randy Patterson (w/enclosures)

100000

S.O. ALKALI LK #5  
PECOS SLOPE ABO  
1D 6S 25E

10000

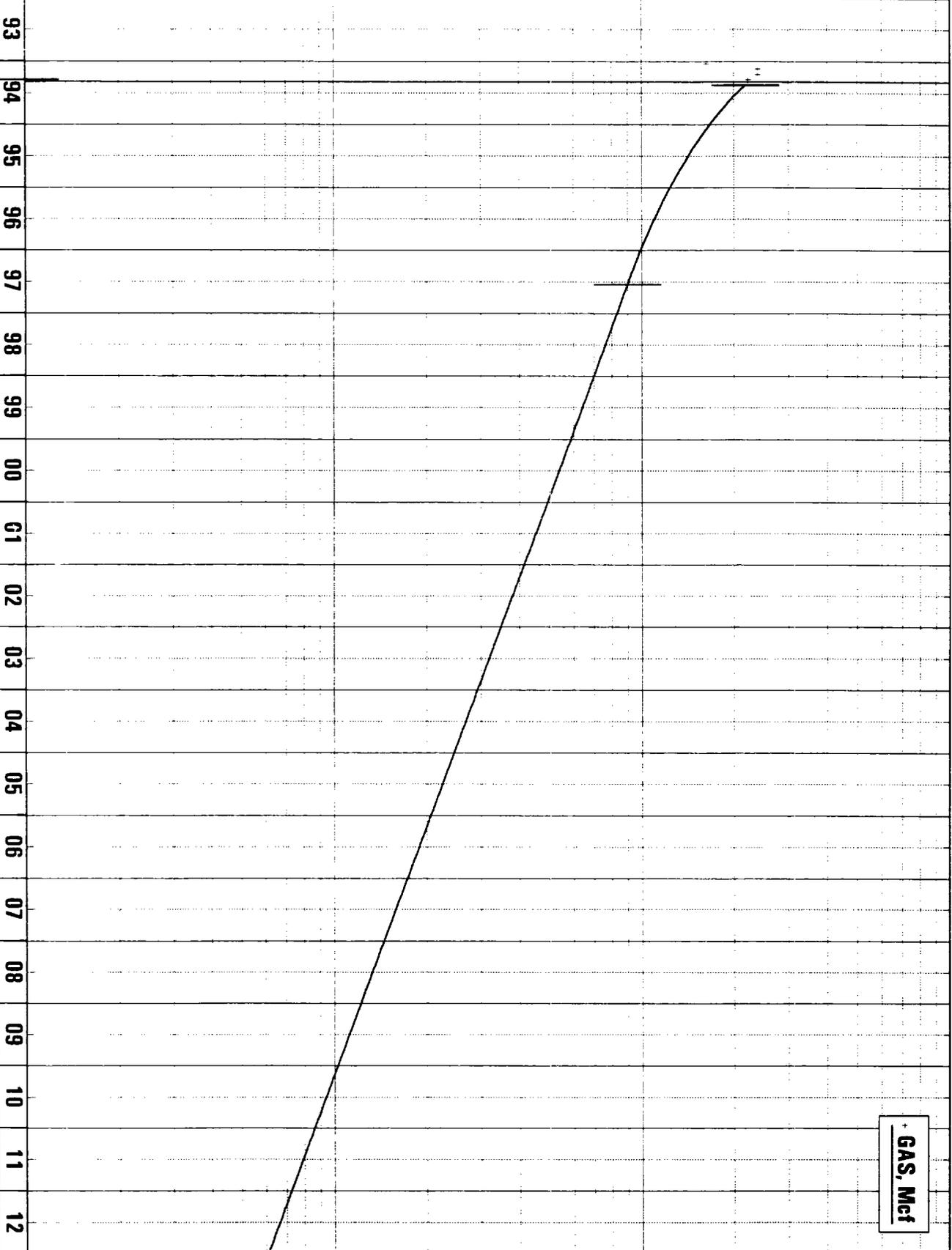
1000

100

93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12

Time, Years

GAS, Mcf



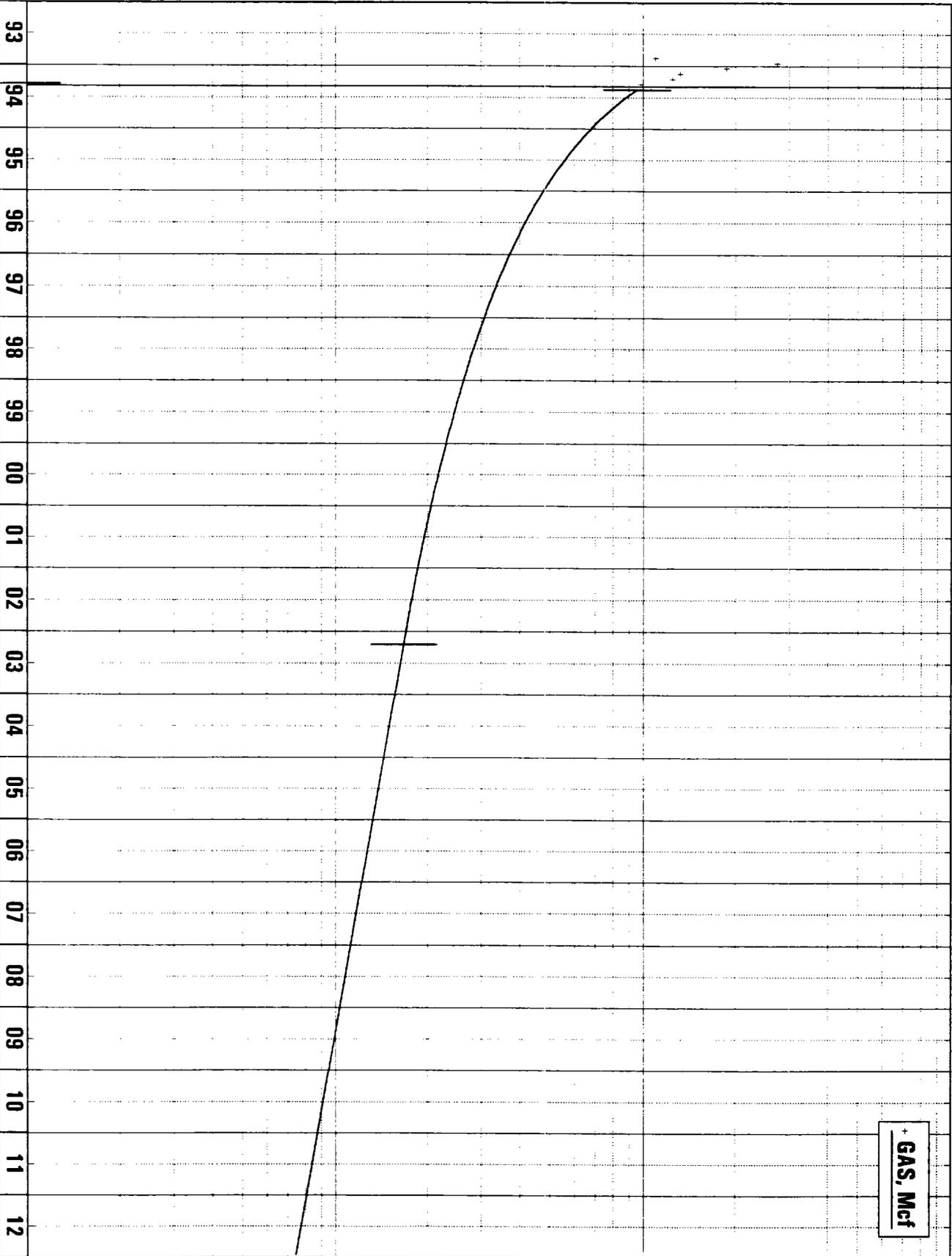
100000

KILGORE SQ #3  
PECOS SLOPE ABO  
24K 6S 25E

10000

1000

100



Time, Years

+ GAS, Mcf

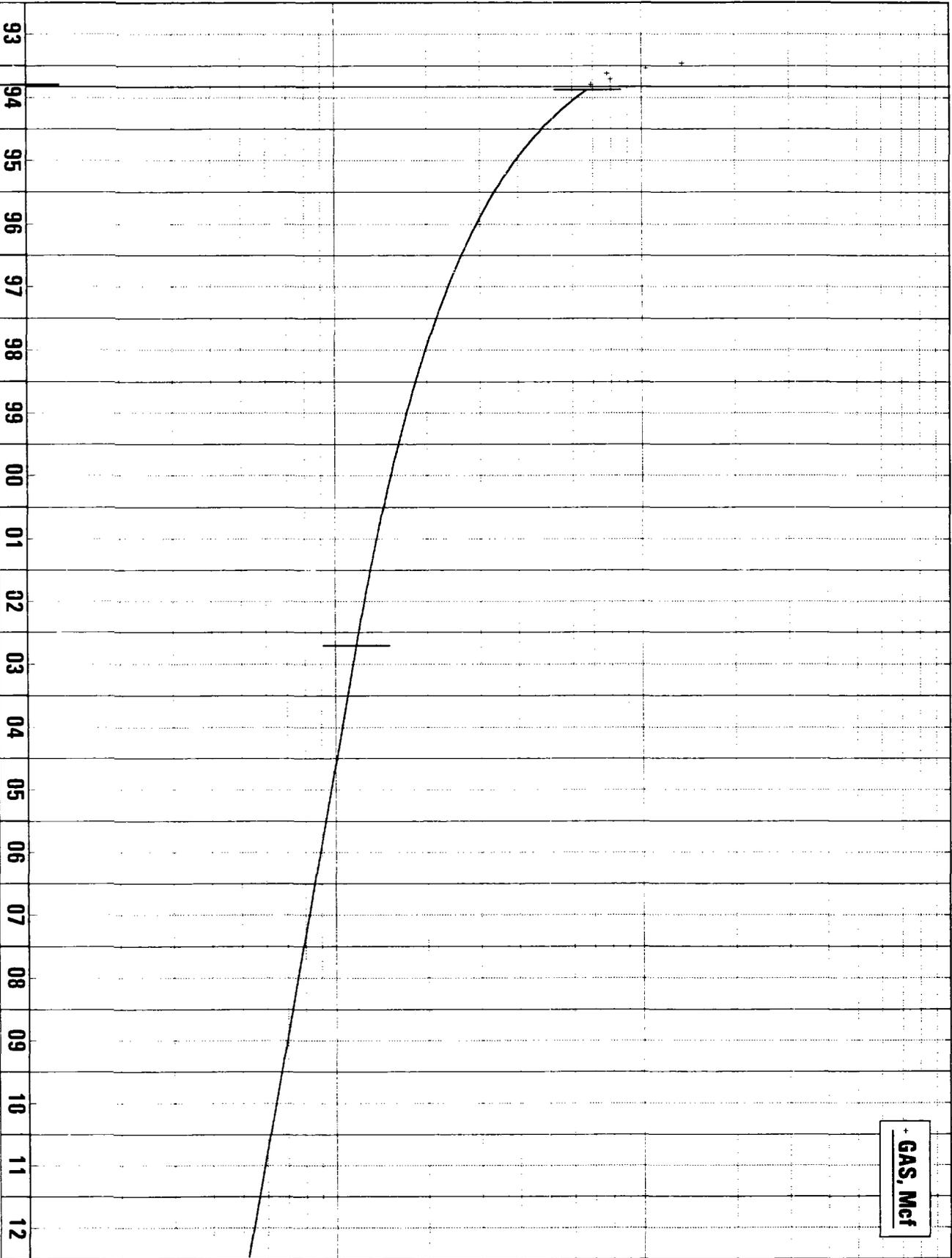
100000

SACRA SA #11  
PECOS SLOPE ABO  
35G 6S 25E

10000

1000

100



GAS, Mcf

Time, Years

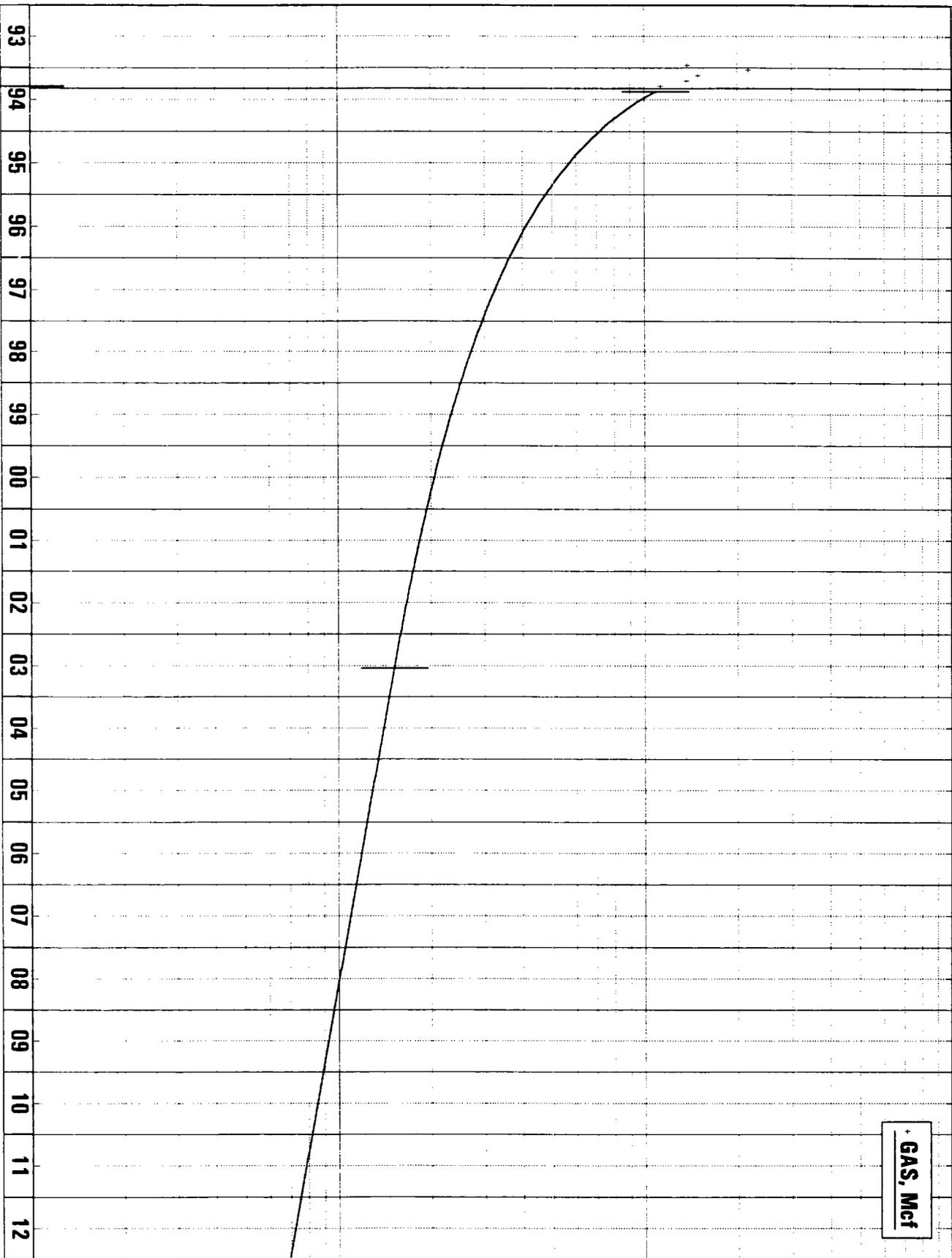
100000

COTTONWOOD FED #3  
PECOS SLOPE AB0  
26B 6S 25E

10000

1000

100



Time, Years

GAS, Mcf

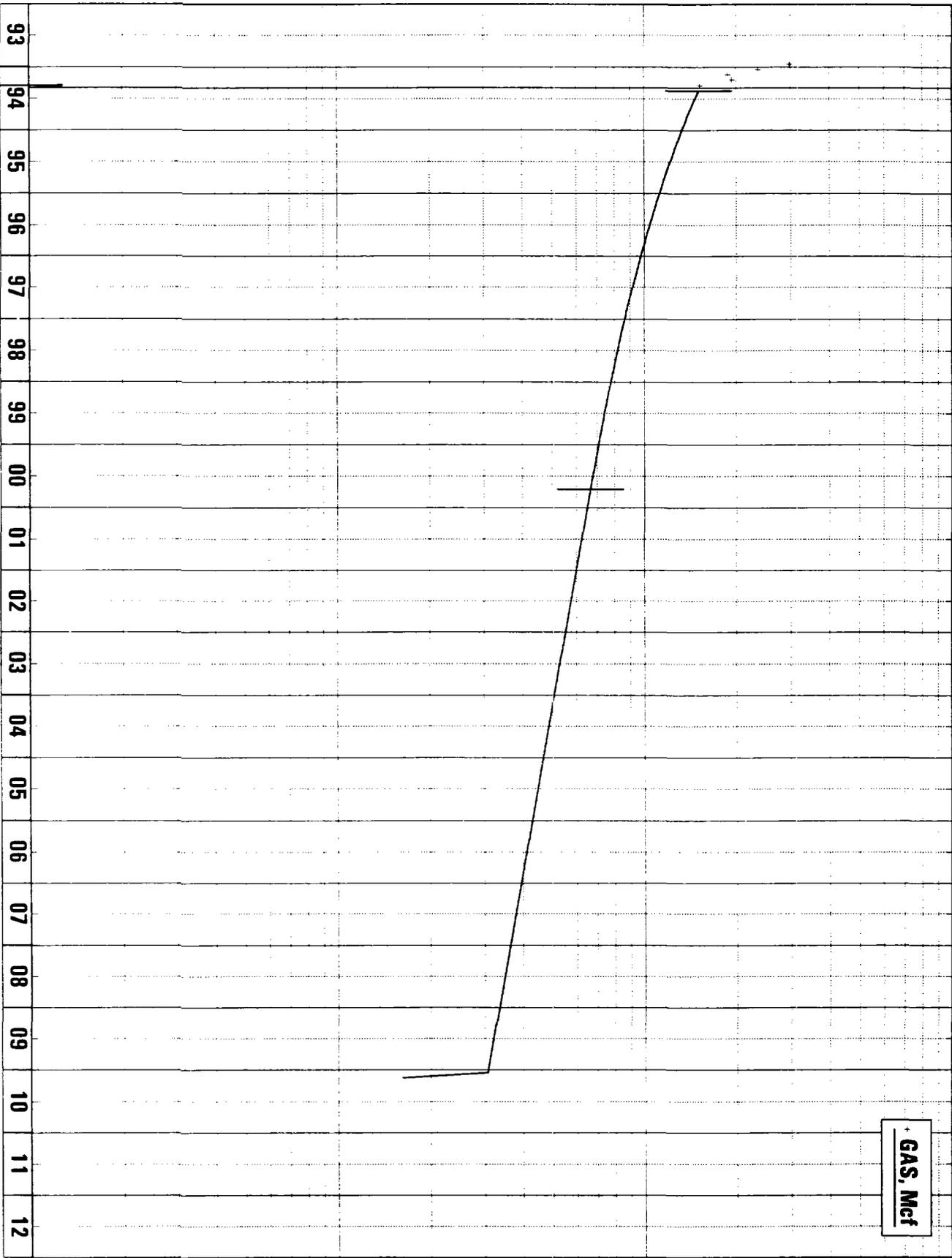
10000

CLEO ANC #1  
PECOS SLOPE ABO  
111 6S 25E

1000

100

10



Time, Years

GAS, Mcf

10000

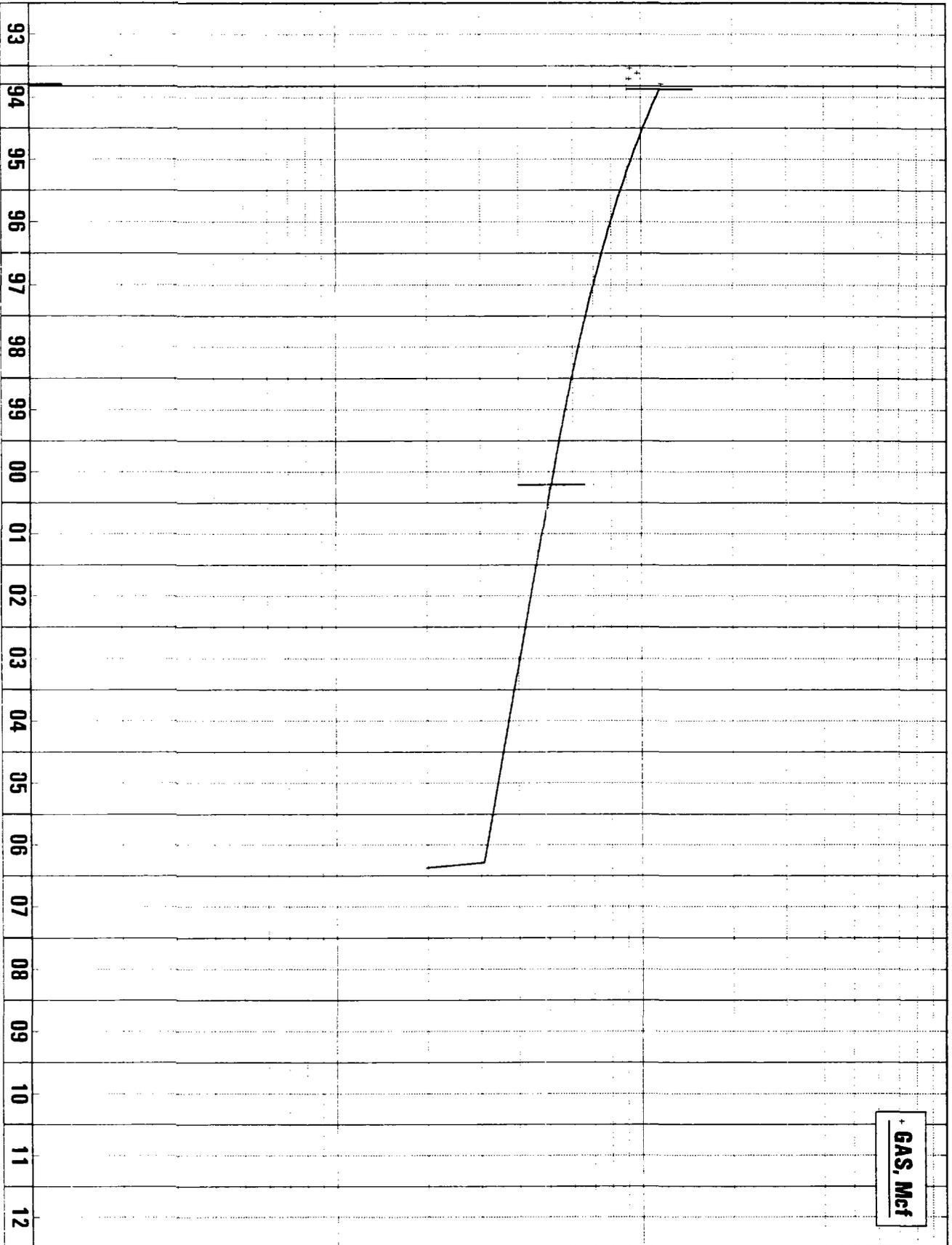
HOBBS FED #3  
PECOS SLOPE ABO  
8H 6S 25E

GAS, Mcf

1000

100

10



Time, Years

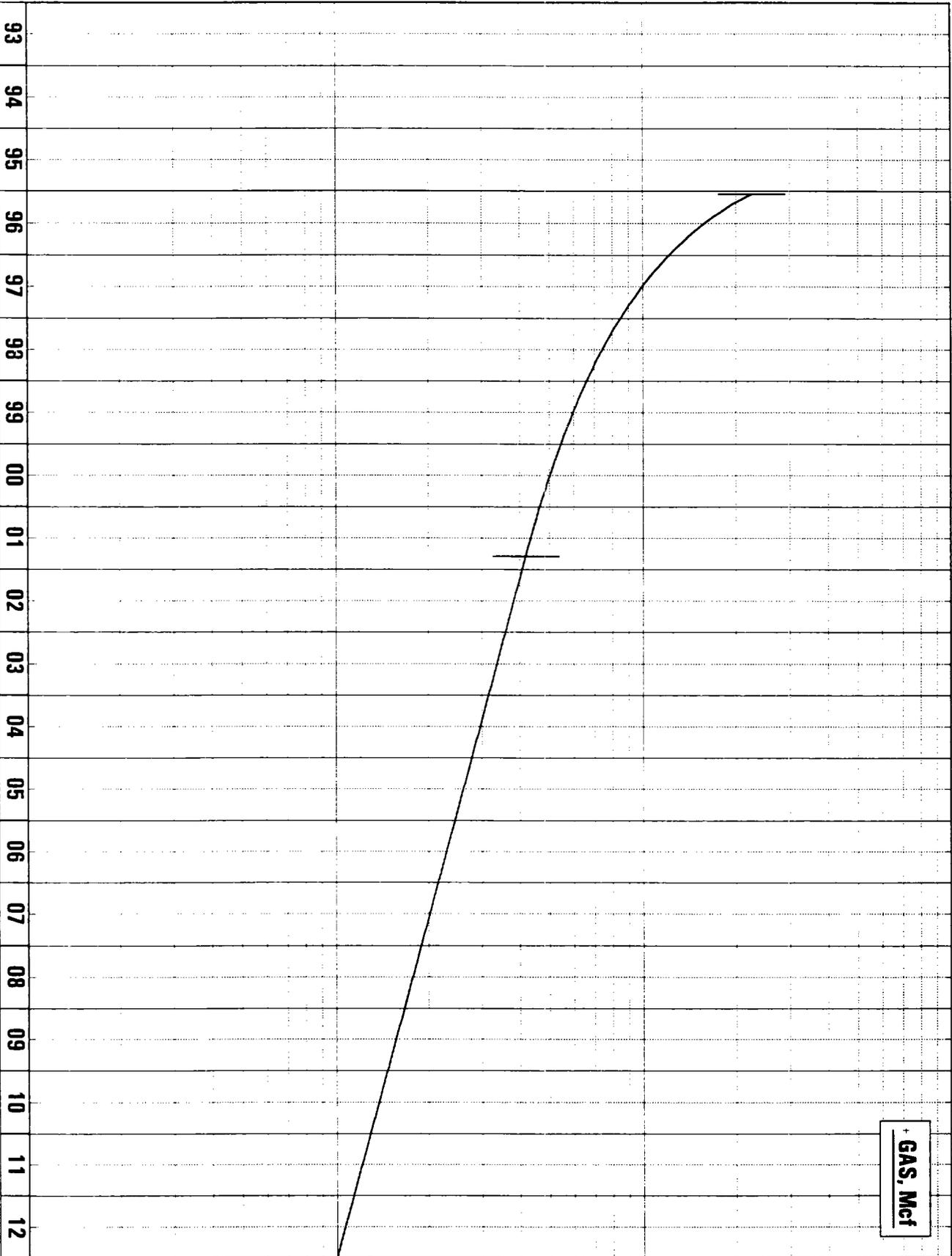
100000

DEE 00 #5  
PECOS SLOPE ABO  
K 32 5S 25E

10000

1000

100



GAS, Mcf

Time, Years

100000

THORPE MI #15  
PECOS SLOPE ABO  
C 22 7S 25E

10000

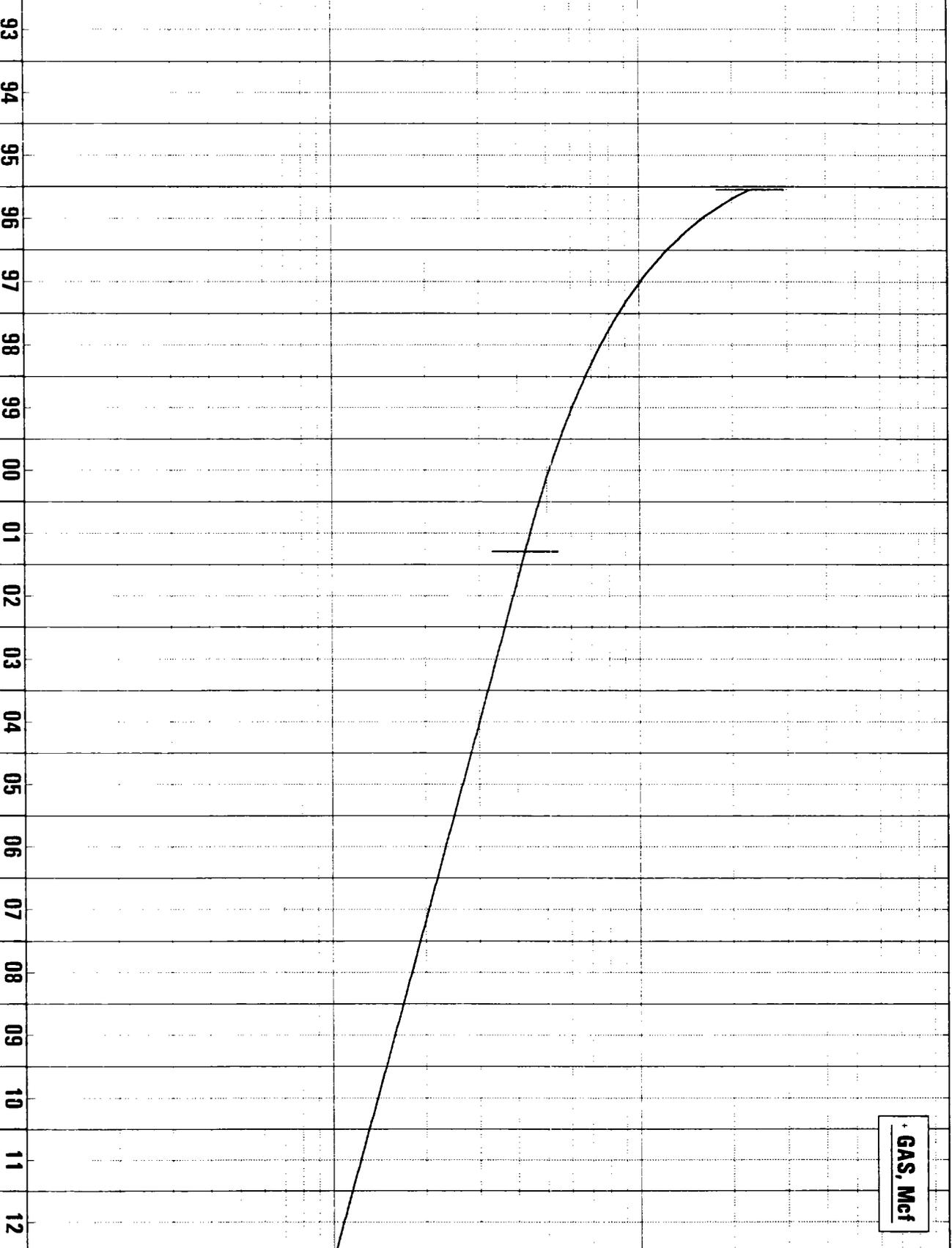
1000

100

93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12

Time, Years

GAS, Mcf



100000

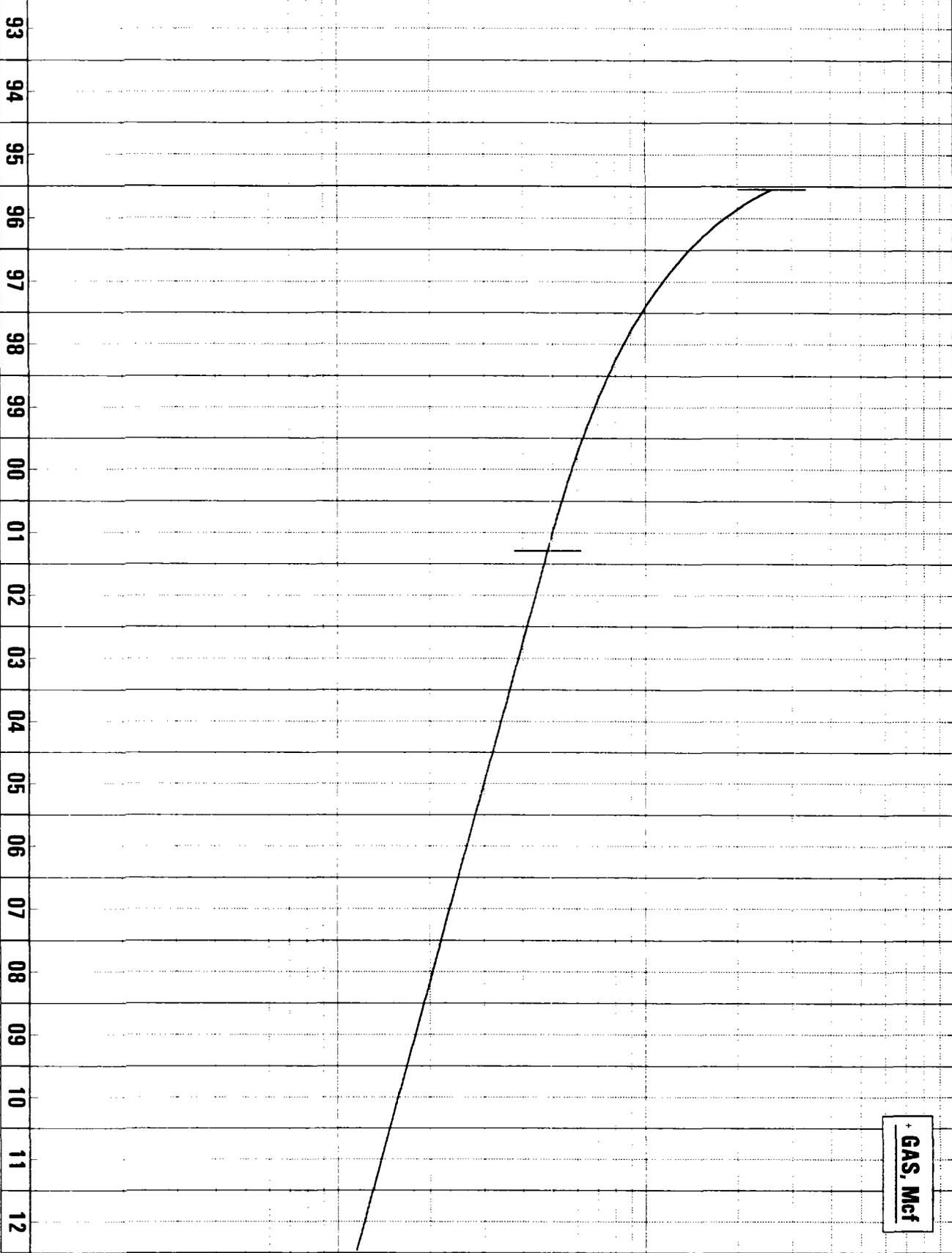
THORPE MI #11  
PECOS SLOPE ABO  
J 3 7S 25E

GAS, Mcf

10000

1000

100



Time, Years

100000

GRANDALL UD #2  
PECOS SLOPE ABO  
B 6 7 S 26E

10000

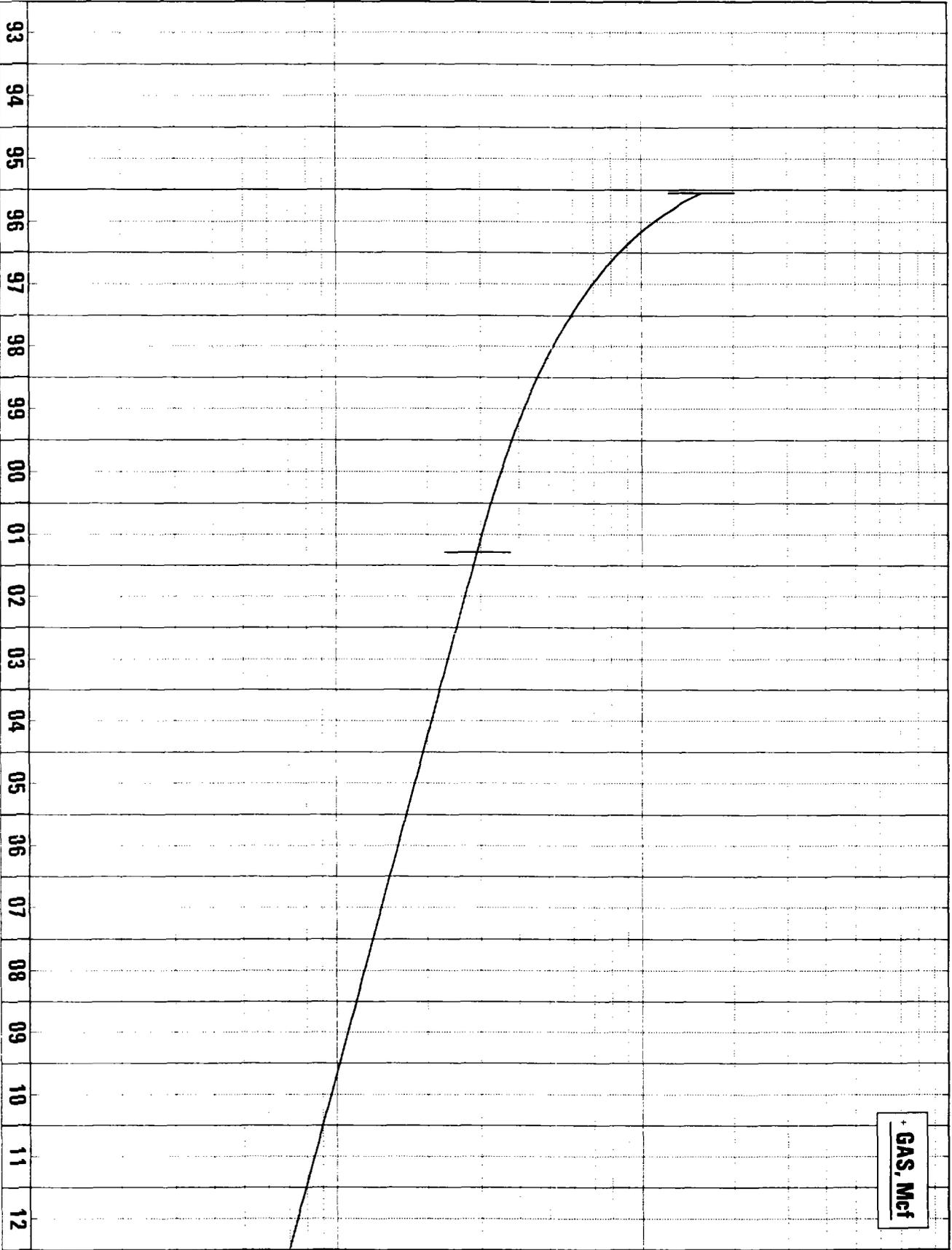
1000

100

93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12

Time, Years

GAS, Mcf



100000

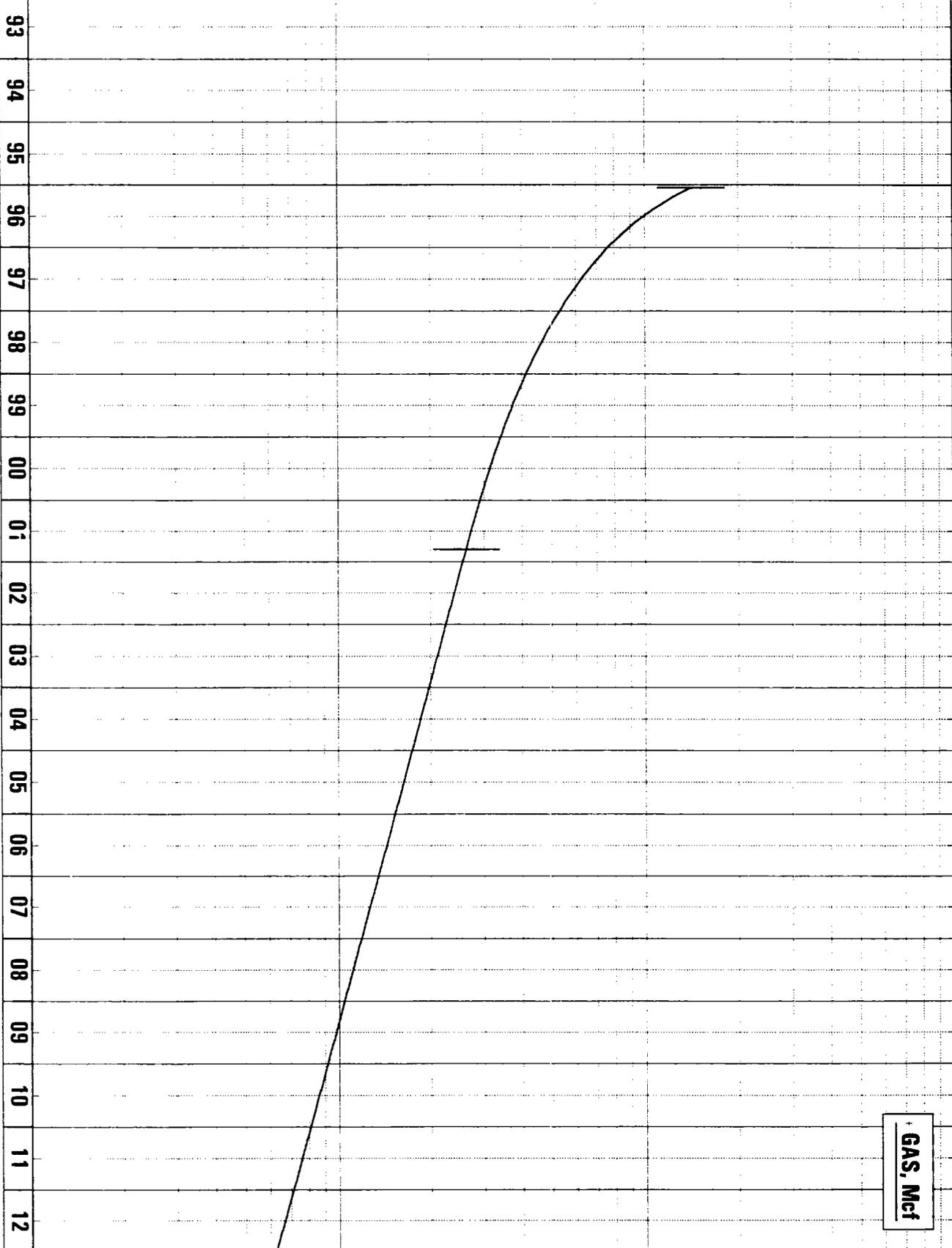
GAS, Mcf

YANKEE ANK #1  
PECOS SLOPE ABO  
0 11 7S 25E

10000

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Time, Years

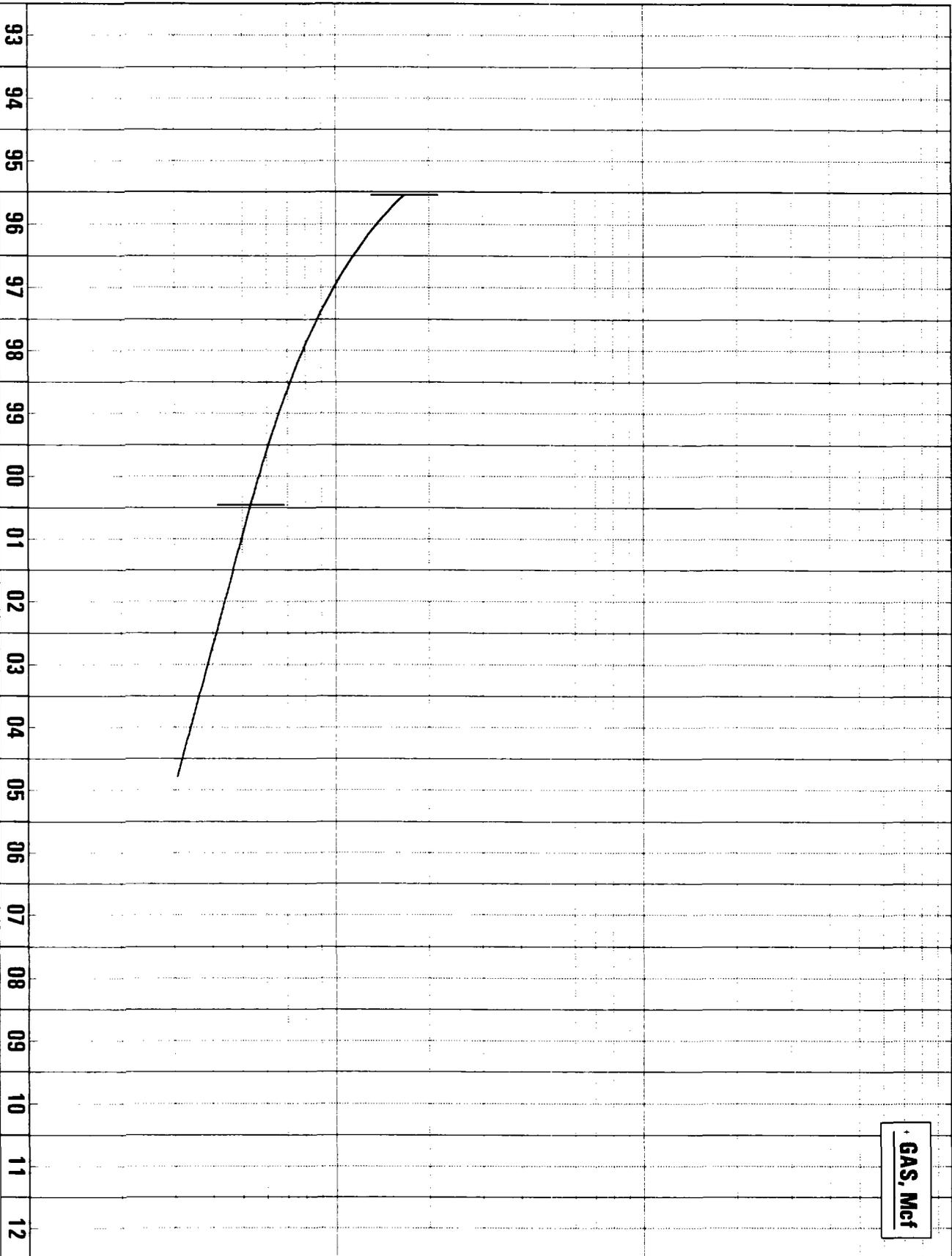
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PAULETTE PV #5  
PECOS SLOPE ABO  
G 16 5S 25E

10000

1000

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Time, Years

GAS, Mcf

100000

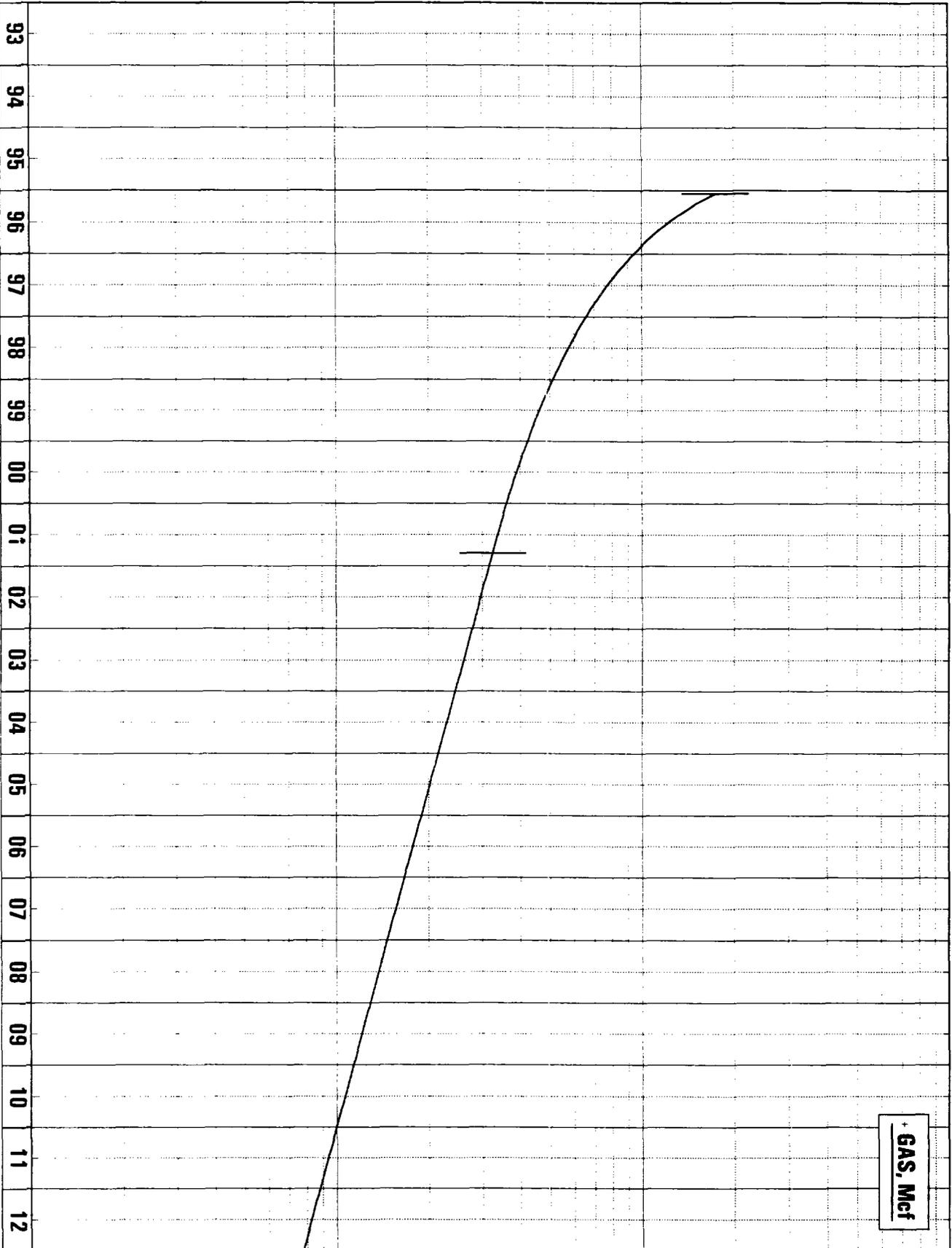
CATTERSON SS #7  
PECOS SLOPE ABO  
I 21 7S 26E

GAS, Mcf

100000

10000

100



Time, Years

CAMPBELL, CARR & BERGE, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MICHAEL H. FELDEWERT  
TANNIS L. FOX  
TANYA M. TRUJILLO  
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TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

February 5, 1996

HAND-DELIVERED

Michael E. Stogner  
Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RECEIVED  
FEB 5 1996  
Oil Conservation Division

Re: Cases 10793, 10981, 11004 (Consolidated):  
In the Matter of Case Nos. 10793, 10981 And 11004 Being Reopened Pursuant  
to the Provisions of Division Order Nos. R-9976 and R-9976-A, Which Orders  
Established a "Pilot Infill Drilling Program" in the Pecos Slope-Abo Gas Pool  
In Portions of Townships 5, 6 and 7 South, Ranges 25 and 26 East, Chaves  
County, New Mexico.

Case No. 11421:  
Application of Yates Petroleum Corporation for the Promulgation of Special  
Pool Rules and Regulations For the South Pecos Slope-Abo Gas Pool, Chaves  
County, New Mexico.

Case No. 11422:  
Application of Yates Petroleum Corporation for the Promulgation of Special  
Pool Rules and Regulations For the West Pecos Slope-Abo Gas Pool, Chaves  
County, New Mexico.

Dear Mr. Stogner:

Pursuant to your request, enclosed please find the proposed Orders of Yates Petroleum  
Corporation in each of the above-referenced cases.

STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

CASE NOS. 10793, 10981, 11004 (Consolidated)

IN THE MATTER OF CASE NOS. 10793, 10981  
AND 11004 BEING REOPENED PURSUANT  
TO THE PROVISIONS OF DIVISION ORDER  
NOS. R-9976 AND R-9976-A, WHICH ORDERS  
ESTABLISHED A "PILOT INFILL DRILLING  
PROGRAM" IN THE PECOS SLOPE-ABO GAS POOL  
IN PORTIONS OF TOWNSHIPS 5, 6 AND 7 SOUTH,  
RANGES 25 AND 26 EAST,  
CHAVES COUNTY, NEW MEXICO.

**YATES PETROLEUM CORPORATION'S  
PROPOSED ORDER OF THE DIVISION**

**BY THE DIVISION**

This cause came on for hearing at 8:15 a.m. on November 2, 1995, at Roswell, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_ day of February, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

**Case Nos. 10793, 10981, 11004 (Consolidated)**

**Order No. R-\_\_\_\_\_**

**Page 2**

(2) By Order No. R-9976 issued in Case No. 10793 on September 24, 1993, the Division, upon application of Yates Petroleum Corporation ("Yates"), approved a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, for the purpose of allowing the applicant the opportunity to gather data to determine if infill drilling is necessary to effectively and efficiently drain the Abo formation.

(3) This Order was amended by Order No. R-9976-A issued in Case Nos. 10981 and 11004 on July 26, 1994, upon application of Yates, to expand its pilot infill drilling program to within the Pecos Slope-Abo Gas Pool and to approve unorthodox locations for certain specific pilot project infill wells.

(4) Order No. R-9976 as amended by Order No. R-9976-A authorized Yates implement a pilot infill drilling program in the Pecos Slope-Abo Gas Pool:

- (a) consisting of 26 wells at orthodox and unorthodox locations in Townships 5, 6 and 7 South, Ranges 25 and 26 East;
- (b) authorizing production from both wells within each of the proration units at unrestricted rates for a temporary period of two years; and
- (c) requiring Yates to appear in August 1995 at an Examiner hearing to present the results of the pilot infill drilling program and make recommendations to the Division, if applicable, for amendments to the rules which govern the Pecos Slope-Abo Gas Pool.

5. Case Nos. 10793 and 10981 were reopened at the August 24, 1995 Examiner hearing, and the hearing was continued on several occasions until November 2, 1995.

6. Tide West Oil Company ("Tide West") and Great Western Drilling Company (Great Western") appeared through their attorney at the November 2, 1995 hearing but did not present evidence. At the conclusion of Yates' presentation, Tide West and Great Western requested certain information from Yates and a 60-day continuance to determine what position to take on this application. The continuance was granted and the data requested by Tide West and Great Western was provided for their analysis. When the case was reopened on January 11, 1996, Tide West and Great Western elected not to present evidence but

instead have only submitted an unsworn statement which is not supported by the evidence in the record.

7. In Case 11421, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

8. In Case 11422, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

9. Each pool is currently developed pursuant to statewide rules which provide for single well 160-acre spacing units comprised of a governmental quarter section with wells located no closer than 660 feet to the outer boundary of the quarter section.

10. Inasmuch as the subject matter of Case Nos. 10793, 10981, 11004, 11421 and 11422 are related, the cases were consolidated for the purposes of hearing with a separate Order entered for each pool.

11. The Abo formation in the Pecos Slope-Abo Gas Pool is a fluivial clastic wedge deposit comprised of channel sands which are stacked vertically of varying lateral continuity.

12. The pilot infill drilling program in the Pecos Slope-Abo Pool was implemented by Yates in two phases. Phase I consisted of the drilling of the six infill wells approved by Division Order No. R-9976 and Phase II consisted of nine additional infill wells drilled pursuant to Division Order R-9976-A.

13. The location of each of the fifteen pilot infill well locations drilled by Yates was selected based on:

- (a) sand thickness from isopach maps and log cross sections;
- (b) cumulative production from iso-cum maps which identified areas of good cumulative production; and

- (c) distance from existing well drainage areas as shown by bubble maps.

14. The fifteen wells drilled in this pilot infill drilling program were located throughout a five Township area that is representative of the Abo formation throughout this portion of Southeastern, New Mexico.

15. The geologic information obtained from the Pecos Slope-Abo pilot project establishes:

- (a) the Abo formation is comprised of channel sands which are vertically stacked with varying lateral continuity;
- (b) the individual producing stingers are not continuous from well to well;
- (c) there is partial communication between wells as shown by the aggregate bottomhole pressure data obtained from offsetting wells;
- (d) infill wells encounter new reserves that will not be recovered by existing wells.

16. The engineering results of the Pecos Slope-Abo pilot infill drilling program are:

- (a) of the fifteen infill wells which were drilled in the pilot project area, ten were successful wells, three were marginal wells and two were dry holes;
- (b) Bottomhole Pressures:
  - (1) The pilot project wells produce from multiple zones in the Abo formation;
  - (2) Because the bottomhole pressures obtained from each well is an aggregate pressure from all zones producing into the wellbore, no pilot infill well encountered the original reservoir pressure for the Abo formation of 1,125 psia;

- (3) Twelve of the fifteen pilot infill wells encountered higher bottomhole pressures than offsetting wells;
- (4) The average pilot infill well bottomhole pressure is almost 800 psia; and
- (5) The average pressure of offsetting wells is less than 300 psia.

(c) Production Rates:

- (1) The production rate for the average pilot infill wells is approximately 750 MCFD; and
- (2) The production rate for the average offsetting well is less than 100 MCFD.

(d) Reserves:

- (1) The average pilot project infill well (including the three marginal wells and the two dry holes) will recover 544 MMCF;
- (2) The average successful pilot project infill well will recover almost 800 MMCF; and
- (3) The average remaining reserves in each offset well is less than 200 MMCF.

17. The fifteen pilot infill wells will produce 8 BCF of reserves that would otherwise be left in the ground.

18. Existing geological and engineering technology enables infill locations to be selected that will enable the remaining reserves in the Abo formation to be produced.

19. Infill wells in the Pecos Slope-Abo Gas Pool will encounter substantial new reserves that will not be recovered by existing wells thereby preventing waste.

20. Approval of infill drilling in the Pecos Slope-Abo Gas Pool will afford each owner in the pool the opportunity to produce without waste its just and fair share of the reserves in the pool thereby protecting correlative rights.

21. Each operator in the Pecos Slope-Abo Gas Pool will have the opportunity to drill an infill well on each 160-acre spacing unit in the pool.

22. Variations in the geological characteristics of the Abo formation will dictate if infill wells should be drilled on a spacing unit and where on the spacing unit the well should be located.

23. Infill development of the Pecos Slope-Abo Gas Pool will result in the drilling of wells which are necessary to produce the remaining reserves in the Abo formation.

24. There is sufficient market for all gas produced from this pool and, therefore, prorationing of this pool is not required to assure each operator in the pool access to market.

25. Artificial allowable restrictions on production from this pool, at this time, could damage the economics of proposed infill development so that necessary wells would not be drilled.

26. If infill development results in the impairment of correlative rights at a later date, the Division on its own motion or on the application of any operator in the pool, can call a hearing to determine whether prorationing would serve to protect correlative rights in this pool.

27. Infill drilling of an optional infill well on each 160-acre spacing unit in the Pecos Slope-Abo Gas Pool will prevent the waste of natural gas, will not impair the correlative rights of operators in this pool and should be approved.

**IT IS THEREFORE ORDERED THAT:**

(1) Permanent Special Rules and Regulations for the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, as previously defined and described, are hereby promulgated to permit the optional drilling of a second well on each proration unit as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE PECOS SLOPE-ABO GAS POOL

Rule 1. Each well completed in the Pecos Slope-Abo Gas Pool or in the Abo formation within one mile thereof, and not nearer to or within the limits of another designated Abo gas pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

Rule 2. The initial well and the infill well, in the event a second well is drilled on any spacing unit, shall be located on a standard unit containing 160-acres, more or less, consisting of the NE/4, SE/4, SW/4 or NW/4 of a governmental quarter section.

Rule 3. The Director of the Division may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single governmental quarter section and the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30-days after the Director has received the application.

Rule 4. The initial well and the infill well, in the event a second well is drilled on any spacing unit, may be located at any location on the spacing unit provided neither well shall be located closer than 660 feet to any outer boundary of a governmental quarter section or lot nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

The plats (Form C-102) accompanying the Application for Permit to Drill (OCD Form C-101 or Federal Form 9-331-C) for the second well on a spacing unit shall have outlined thereon the boundaries of the unit and shall show the location of the first well on the unit as well as the proposed new well.

Rule 5. The Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application

**Case Nos. 10793, 10981, 11004 (Consolidated)**

**Order No. R-\_\_\_\_\_**

**Page 8**

by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

(3) 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

WILLIAM J. LeMAY  
Director

SEAL

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 11421

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR THE PROMULGATION  
OF SPECIAL POOL RULES AND REGULATIONS  
FOR THE SOUTH PECOS SLOPE-ABO GAS POOL,  
CHAVES COUNTY, NEW MEXICO.

**YATES PETROLEUM CORPORATION'S  
PROPOSED ORDER OF THE DIVISION**

**BY THE DIVISION**

This cause came on for hearing at 8:15 a.m. on November 2, 1995, at Roswell, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_ day of February, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) By Order No. R-9976 issued in Case No. 10793 on September 24, 1993, the Division, upon application of Yates Petroleum Corporation ("Yates"), approved a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New

**Case No. 11421**

**Order No. R-\_\_\_\_\_**

**Page 2**

Mexico, for the purpose of allowing the applicant the opportunity to gather data to determine if infill drilling is necessary to effectively and efficiently drain the Abo formation.

(3) This Order was amended by Order No. R-9976-A issued in Case Nos. 10981 and 11004 on July 26, 1994, upon application of Yates, to expand its pilot infill drilling program to within the Pecos Slope-Abo Gas Pool and to approve unorthodox locations for certain specific pilot project infill wells.

(4) Order No. R-9976 as amended by Order No. R-9976-A authorized Yates implement a pilot infill drilling program in the Pecos Slope-Abo Gas Pool:

- (a) consisting of 26 wells at orthodox and unorthodox locations in Townships 5, 6 and 7 South, Ranges 25 and 26 East;
- (b) authorizing production from both wells within each of the proration units at unrestricted rates for a temporary period of two years; and
- (c) requiring Yates to appear in August 1995 at an Examiner hearing to present the results of the pilot infill drilling program and make recommendations to the Division, if applicable, for amendments to the rules which govern the Pecos Slope-Abo Gas Pool.

5. Case Nos. 10793 and 10981 were reopened at the August 24, 1995 Examiner hearing, and the hearing was continued on several occasions until November 2, 1995.

6. Tide West Oil Company ("Tide West") and Great Western Drilling Company (Great Western") appeared through their attorney at the November 2, 1995 hearing but did not present evidence. At the conclusion of Yates' presentation, Tide West and Great Western requested certain information from Yates and a 60-day continuance to determine what position to take on this application. The continuance was granted and the data requested by Tide West and Great Western was provided for their analysis. When the case was reopened on January 11, 1996, Tide West and Great Western elected not to present evidence but instead have only submitted an unsworn statement which is not supported by the evidence in the record.

7. In Case 11421, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

8. In Case 11422, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

9. Each pool is currently developed pursuant to statewide rules which provide for single well 160-acre spacing units comprised of a governmental quarter section with wells located no closer than 660 feet to the outer boundary of the quarter section.

10. Inasmuch as the subject matter of Case Nos. 10793, 10981, 11004, 11421 and 11422 are related, the cases were consolidated for the purposes of hearing with a separate Order entered for each pool.

11. The South Pecos Slope-Abo Gas Pool is contiguous with and a geologic extension of the Pecos Slope-Abo Gas Pool. There is no geologic reason to separate the two pools.

12. The Abo formation in the Pecos Slope-Abo Gas Pool and South Pecos Slope-Abo Gas Pool is a fluival clastic wedge deposit comprised of channel sands which are stacked vertically of varying lateral continuity.

13. The pilot infill drilling program in the Pecos Slope-Abo Pool was implemented by Yates in two phases. Phase I consisted of the drilling of the six infill wells approved by Division Order No. R-9976 and Phase II consisted of nine additional infill wells drilled pursuant to Division Order R-9976-A.

14. The location of each of the fifteen pilot infill well locations drilled by Yates was selected based on:

- (a) sand thickness from isopach maps and log cross sections;

- (b) cumulative production from iso-cum maps which identified areas of good cumulative production; and
- (c) distance from existing well drainage areas as shown by bubble maps.

15. The fifteen wells drilled in this pilot infill drilling program were located throughout a five Township area that is representative of the Abo formation throughout this portion of Southeastern, New Mexico.

16. The geologic information obtained from the Pecos Slope-Abo pilot project establishes:

- (a) the Abo formation is comprised of channel sands which are vertically stacked with varying lateral continuity;
- (b) the individual producing stingers are not continuous from well to well;
- (c) there is partial communication between wells as shown by the aggregate bottomhole pressure data obtained from offsetting wells;
- (d) infill wells encounter new reserves that will not be recovered by existing wells.

17. The engineering results of the Pecos Slope-Abo pilot infill drilling program are:

- (a) of the fifteen infill wells which were drilled in the pilot project area, ten were successful wells, three were marginal wells and two were dry holes;
- (b) Bottomhole Pressures:
  - (1) The pilot project wells produce from multiple zones in the Abo formation;

- (2) Because the bottomhole pressures obtained from each well is an aggregate pressure from all zones producing into the wellbore, no pilot infill well encountered the original reservoir pressure for the Abo formation of 1,125 psia;
  - (3) Twelve of the fifteen pilot infill wells encountered higher bottomhole pressures than offsetting wells;
  - (4) The average pilot infill well bottomhole pressure is almost 800 psia; and
  - (5) The average pressure of offsetting wells is less than 300 psia.
- (c) Production Rates:
- (1) The production rate for the average pilot infill wells is approximately 750 MCFD; and
  - (2) The production rate for the average offsetting well is less than 100 MCFD.
- (d) Reserves:
- (1) The average pilot project infill well (including the three marginal wells and the two dry holes) will recover 544 MMCF;
  - (2) The average successful pilot project infill well will recover almost 800 MMCF; and
  - (3) The average remaining reserves in each offset well is less than 200 MMCF.

18. The fifteen pilot infill wells will produce 8 BCF of reserves that would otherwise be left in the ground.

19. Existing geological and engineering technology enables infill locations to be selected that will enable the remaining reserves in the Abo formation to be produced.

20. Since there is no geologic reason to separate the South Pecos Slope-Abo Gas Pool and the Pecos Slope-Abo Gas Pool, the results of the Pecos Slope-Abo Gas Pool Pilot Infill Drilling Program can be extrapolated to and apply equally well to the South Pecos Slope-Abo Gas Pool.

21. Infill wells in the South Pecos Slope-Abo Gas Pool will encounter substantial new reserves that will not be recovered by existing wells thereby preventing waste.

22. Approval of infill drilling in the South Pecos Slope-Abo Gas Pool will afford each owner in the pool the opportunity to produce without waste its just and fair share of the reserves in the pool thereby protecting correlative rights.

23. Each operator in the South Pecos Slope-Abo Gas Pool will have the opportunity to drill an infill well on each 160-acre spacing unit in the pool.

24. Variations in the geological characteristics of the Abo formation will dictate if infill wells should be drilled on a spacing unit and where on the spacing unit the well should be located.

25. Infill development of the South Pecos Slope-Abo Gas Pool will result in the drilling of wells which are necessary to produce the remaining reserves in the Abo formation.

26. There is sufficient market for all gas produced from this pool and, therefore, prorationing of this pool is not required to assure each operator in the pool access to market.

27. Artificial allowable restrictions on production from this pool, at this time, could damage the economics of proposed infill development so that necessary wells would not be drilled.

28. If infill development results in the impairment of correlative rights at a later date, the Division on its own motion or on the application of any operator in the pool, can call a hearing to determine whether prorationing would serve to protect correlative rights in this pool.

29. Infill drilling of an optional infill well on each 160-acre spacing unit in the South Pecos Slope-Abo Gas Pool will prevent the waste of natural gas, will not impair the correlative rights of operators in this pool and should be approved.

**IT IS THEREFORE ORDERED THAT:**

(1) Permanent Special Rules and Regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, as previously defined and described, are hereby promulgated to permit the optional drilling of a second well on each proration unit as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE SOUTH PECOS SLOPE-ABO GAS POOL

Rule 1. Each well completed in the South Pecos Slope-Abo Gas Pool or in the Abo formation within one mile thereof, and not nearer to or within the limits of another designated Abo gas pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

Rule 2. The initial well and the infill well, in the event a second well is drilled on any spacing unit, shall be located on a standard unit containing 160-acres, more or less, consisting of the NE/4, SE/4, SW/4 or NW/4 of a governmental quarter section.

Rule 3. The Director of the Division may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single governmental quarter section and the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30-days after the Director has received the application.

Rule 4. The initial well and the infill well, in the event a second well is drilled on any spacing unit, may be located at any location on the spacing unit provided neither well

**Case No. 11421**  
**Order No. R-\_\_\_\_\_**  
**Page 8**

shall be located closer than 660 feet to any outer boundary of a governmental quarter section or lot nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

The plats (Form C-102) accompanying the Application for Permit to Drill (OCD Form C-101 or Federal Form 9-331-C) for the second well on a spacing unit shall have outlined thereon the boundaries of the unit and shall show the location of the first well on the unit as well as the proposed new well.

Rule 5. The Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

(3) 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

WILLIAM J. LeMAY  
Director

S E A L

STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

CASE NO. 11422

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR THE PROMULGATION  
OF SPECIAL POOL RULES AND REGULATIONS  
FOR THE WEST PECOS SLOPE-ABO GAS POOL,  
CHAVES COUNTY, NEW MEXICO.

FILED  
FEB 1 1996  
OIL CONSERVATION DIVISION

**YATES PETROLEUM CORPORATION'S  
PROPOSED ORDER OF THE DIVISION**

**BY THE DIVISION**

This cause came on for hearing at 8:15 a.m. on November 2, 1995, at Roswell, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of February, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) By Order No. R-9976 issued in Case No. 10793 on September 24, 1993, the Division, upon application of Yates Petroleum Corporation ("Yates"), approved a pilot infill drilling program within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New

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**Page 2**

Mexico, for the purpose of allowing the applicant the opportunity to gather data to determine if infill drilling is necessary to effectively and efficiently drain the Abo formation.

(3) This Order was amended by Order No. R-9976-A issued in Case Nos. 10981 and 11004 on July 26, 1994, upon application of Yates, to expand its pilot infill drilling program to within the Pecos Slope-Abo Gas Pool and to approve unorthodox locations for certain specific pilot project infill wells.

(4) Order No. R-9976 as amended by Order No. R-9976-A authorized Yates implement a pilot infill drilling program in the Pecos Slope-Abo Gas Pool:

- (a) consisting of 26 wells at orthodox and unorthodox locations in Townships 5, 6 and 7 South, Ranges 25 and 26 East;
- (b) authorizing production from both wells within each of the proration units at unrestricted rates for a temporary period of two years; and
- (c) requiring Yates to appear in August 1995 at an Examiner hearing to present the results of the pilot infill drilling program and make recommendations to the Division, if applicable, for amendments to the rules which govern the Pecos Slope-Abo Gas Pool.

5. Case Nos. 10793 and 10981 were reopened at the August 24, 1995 Examiner hearing, and the hearing was continued on several occasions until November 2, 1995.

6. Tide West Oil Company ("Tide West") and Great Western Drilling Company (Great Western") appeared through their attorney at the November 2, 1995 hearing but did not present evidence. At the conclusion of Yates' presentation, Tide West and Great Western requested certain information from Yates and a 60-day continuance to determine what position to take on this application. The continuance was granted and the data requested by Tide West and Great Western was provided for their analysis. When the case was reopened on January 11, 1996, Tide West and Great Western elected not to present evidence but instead have only submitted an unsworn statement which is not supported by the evidence in the record.

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7. In Case 11421, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

8. In Case 11422, the applicant, Yates Petroleum Corporation, seeks the adoption of special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, authorizing the drilling of an optional additional gas well ("infill well") within each standard 160-acre spacing unit.

9. Each pool is currently developed pursuant to statewide rules which provide for single well 160-acre spacing units comprised of a governmental quarter section with wells located no closer than 660 feet to the outer boundary of the quarter section.

10. Inasmuch as the subject matter of Case Nos. 10793, 10981, 11004, 11421 and 11422 are related, the cases were consolidated for the purposes of hearing with a separate Order entered for each pool.

11. The West Pecos Slope-Abo Gas Pool is located approximately 5 miles West of the Pecos Slope-Abo Gas Pool. The pay zones in the West Pecos Slope-Abo Gas Pool are equivalent to the pay zones in the Pecos Slope-Abo Gas Pool except that in the West Pecos Slope-Abo Gas Pool the wells are poorer and have smaller drainage areas than wells in the Pecos Slope-Abo Gas Pool.

12. The Abo formation in the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool is a fluival clastic wedge deposit comprised of channel sands which are stacked vertically of varying lateral continuity.

13. The pilot infill drilling program in the Pecos Slope-Abo Pool and the West Pecos Slope-Abo Gas Pool was implemented by Yates in two phases. Phase I consisted of the drilling of the six infill wells approved by Division Order No. R-9976 and Phase II consisted of nine additional infill wells drilled pursuant to Division Order R-9976-A.

14. The location of each of the fifteen pilot infill well locations drilled by Yates was selected based on:

- (a) sand thickness from isopach maps and log cross sections;
- (b) cumulative production from iso-cum maps which identified areas of good cumulative production; and
- (c) distance from existing well drainage areas as shown by bubble maps.

15. The fifteen wells drilled in this pilot infill drilling program were located throughout a five Township area that is representative of the Abo formation throughout this portion of Southeastern, New Mexico.

16. The geologic information obtained from the Pecos Slope-Abo pilot project establishes:

- (a) the Abo formation is comprised of channel sands which are vertically stacked with varying lateral continuity;
- (b) the individual producing stingers are not continuous from well to well;
- (c) there is partial communication between wells as shown by the aggregate bottomhole pressure data obtained from offsetting wells;
- (d) infill wells encounter new reserves that will not be recovered by existing wells.

17. The engineering results of the Pecos Slope-Abo pilot infill drilling program are:

- (a) of the fifteen infill wells which were drilled in the pilot project area, ten were successful wells, three were marginal wells and two were dry holes;
- (b) Bottomhole Pressures:
  - (1) The pilot project wells produce from multiple zones in the Abo formation;

- (2) Because the bottomhole pressures obtained from each well is an aggregate pressure from all zones producing into the wellbore, no pilot infill well encountered the original reservoir pressure for the Abo formation of 1,125 psia;
  - (3) Twelve of the fifteen pilot infill wells encountered higher bottomhole pressures than offsetting wells;
  - (4) The average pilot infill well bottomhole pressure is almost 800 psia; and
  - (5) The average pressure of offsetting wells is less than 300 psia.
- (c) Production Rates:
- (1) The production rate for the average pilot infill wells is approximately 750 MCFD; and
  - (2) The production rate for the average offsetting well is less than 100 MCFD.
- (d) Reserves:
- (1) The average pilot project infill well (including the three marginal wells and the two dry holes) will recover 544 MMCF;
  - (2) The average successful pilot project infill well will recover almost 800 MMCF; and
  - (3) The average remaining reserves in each offset well is less than 200 MMCF.

18. The fifteen pilot infill wells will produce 8 BCF of reserves that would otherwise be left in the ground.

19. Because of the equivalent pay zones in the West Pecos Slope-Abo Gas Pool and the Pecos Slope-Abo Gas Pool and the fact that wells in the West Pecos Slope-Abo Gas Pool are of poorer quality, the results of the Pecos Slope-Abo Gas Pool Pilot Infill drilling program can be extrapolated to and apply equally well to the West Pecos Slope-Abo Gas Pool.

20. Existing geological and engineering technology enables infill locations to be selected that will enable the remaining reserves in the Abo formation to be produced.

21. Infill wells in the West Pecos Slope-Abo Gas Pool will encounter substantial new reserves that will not be recovered by existing wells thereby preventing waste.

22. Approval of infill drilling in the West Pecos Slope-Abo Gas Pool will afford each owner in the pool the opportunity to produce without waste its just and fair share of the reserves in the pool thereby protecting correlative rights.

23. Each operator in the West Pecos Slope-Abo Gas Pool will have the opportunity to drill an infill well on each 160-acre spacing unit in the pool.

24. Variations in the geological characteristics of the Abo formation will dictate if infill wells should be drilled on a spacing unit and where on the spacing unit the well should be located.

25. Infill development of the West Pecos Slope-Abo Gas Pool will result in the drilling of wells which are necessary to produce the remaining reserves in the Abo formation.

26. There is sufficient market for all gas produced from this pool and, therefore, prorationing of this pool is not required to assure each operator in the pool access to market.

27. Artificial allowable restrictions on production from this pool, at this time, could damage the economics of proposed infill development so that necessary wells would not be drilled.

28. If infill development results in the impairment of correlative rights at a later date, the Division on its own motion or on the application of any operator in the pool, can

call a hearing to determine whether prorationing would serve to protect correlative rights in this pool.

29. Infill drilling of an optional infill well on each 160-acre spacing unit in the West Pecos Slope-Abo Gas Pool will prevent the waste of natural gas, will not impair the correlative rights of operators in this pool and should be approved.

**IT IS THEREFORE ORDERED THAT:**

(1) Permanent Special Rules and Regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico, as previously defined and described, are hereby promulgated to permit the optional drilling of a second well on each proration unit as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE WEST PECOS SLOPE-ABO GAS POOL

Rule 1. Each well completed in the West Pecos Slope-Abo Gas Pool or in the Abo formation within one mile thereof, and not nearer to or within the limits of another designated Abo gas pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

Rule 2. The initial well and the infill well, in the event a second well is drilled on any spacing unit, shall be located on a standard unit containing 160-acres, more or less, consisting of the NE/4, SE/4, SW/4 or NW/4 of a governmental quarter section.

Rule 3. The Director of the Division may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single governmental quarter section and the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30-days after the Director has received the application.

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Rule 4. The initial well and the infill well, in the event a second well is drilled on any spacing unit, may be located at any location on the spacing unit provided neither well shall be located closer than 660 feet to any outer boundary of a governmental quarter section or lot nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

The plats (Form C-102) accompanying the Application for Permit to Drill (OCD Form C-101 or Federal Form 9-331-C) for the second well on a spacing unit shall have outlined thereon the boundaries of the unit and shall show the location of the first well on the unit as well as the proposed new well.

Rule 5. The Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

(3) 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

WILLIAM J. LeMAY  
Director

S E A L

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 31, 1996

**HAND DELIVERED**

**RECEIVED**

JAN 31 1996

Mr. Michael E. Stogner  
Hearing Examiner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87502

Oil Conservation Division

*Re: NMOCD Cases 10793, 10981 & 11004  
Infill Drilling Pecos Slope Abo Gas Pool*

*Re: NMOCD Case 11421  
Infill Drilling South Pecos Slope Abo Gas Pool*

*Re: NMOCD Case 11422  
Infill Drilling West Pecos Slope Abo Gas Pool*

Dear Mr. Stogner:

On behalf of Great Western Drilling Company, I wish to express our appreciation to you for providing us with both the time and opportunity to review the data submitted by Yates Petroleum Corporation in support of its request for the adoption of infill drilling for the three different Pecos Slope Abo Gas Pools at the November 2, 1995 hearing held in Roswell, New Mexico.

Great Western has concluded that infill drilling rules will be practical for only selected portions of these pools (collective "the pool") and will not be necessary on a pool wide basis. Our conclusion is support by the following:

## **GEOLOGY**

Because the pool consists of multiple, highly sinuous channel sands, the drilling of a successful infill well in the "heart of the pool" located in Township 6 South, Range 25 East, will not result in similar infill successes for wells drilled in areas of the pool, even in Township 6 South, Range 25 East, where the channel sands are more poorly developed.

Geologically, the somewhat narrow and elongated nature of the channels would preclude the use of a circular radius of drainage pattern as a model for volumetric calculations of estimated ultimate recovery ("EUR"). Further, the lack of the use of a productive limit porosity cutoff skews the data so as to cause Yates to predict a smaller radius of drainage than what is actually present. That is because a thicker gross sand section with a given volume of gas will have a smaller radius of drainage than a thinner net sand interval (using an effective porosity cutoff to determine net sand thickness) with the same given volume of gas which will have a larger radius of drainage than Yates is calculating.

## **DRAINAGE**

There is insufficient evidence concerning drainage areas to support adopting infill drilling:

- (1) Yates selected infill locations based upon good sand thickness, good cumulative production and the belief that those locations would be outside the calculated drainage area of existing wells **but** conceded that neither their volumetric circle method or the reservoir simulation method was able to accurately predict the drainage areas of existing wells;
- (2) all but two of the infill wells had been drilled in areas which were being depleted by offsetting wells;
- (3) the degree of pressure depletion from virgin pressure of 1125 psi was directly related to the distance each infill well was from existing offset wells; and

(4) those infill wells with higher initial pressures were in fact drilled on 160-acre equivalent units and were not "true" 80-acre infill wells.

### **RESULTS OF INFILL DRILLING**

While Yates contends that Infill Drilling was justified for the entire pool because the initial pressure of the infill wells, with few exceptions, was 300" to 400# higher than the average current pressure of offsetting existing wells, the evidence shows that:

(1) in only two infill well cases did the infill well encounter "new sands" which justified the "new reserves" **while** in all other infill wells examples, the "new reserves" were attributable to inadequate drainage by existing wells; and

(2) that many existing infill wells would drain outside of their respective spacing units but Yates had not calculated what the drainage acreage would be and could not determine its shape.

### **ECONOMICS**

While Yates contends that infill wells could be drilled on a pool wide basis without causing the drilling of unnecessary offset protection wells, the evidence shows that:

(1) Yates' economic threshold was 400,000 mcf cumulative gas produced; and

(2) many infill wells had calculated estimated ultimate recoveries which were less than 800,000 mcf thereby making it uneconomic for the second offset ("protection") well. See Yates Exhibit 17.

## **PRODUCTION CURVES**

While Yates contends that the initial production rates of the infill well were generally higher than the average of the existing offset and that existing wells were reaching low rates with low remaining recoveries, therefore concluding that the infill wells were producing only new reserves, the evidence shows that:

- (1) the original method Yates used for apportioning an infill wells' forecasted EUR between new reserves and existing reserves based upon a pressure ratio was flawed and that Yates had abandoned using it;
- (2) that the initial rates on Exhibit 16 for the infill wells were in fact CAOFR rates; and
- (3) while the existing wells had partially depleted the area currently being drained by the infill well, any remaining recovery for either the infill well and the offset existing wells would be unique to that particular well.

## **RESERVES**

While Yates contends that it could estimate an EUR for the infill wells and all of the EUR for that infill well would be new reserves not capable of being produced by the existing offset wells, the evidence shows that it had not calculated a drainage acres for each well and did not know if a well would drain 80, 160, 320 acres or not.

## **PROTECTION OF CORRELATIVE RIGHTS**

While Yates contends that infill drilling would allow all operators the chance for infill wells, the evidence shows that:

- (1) many of the infill wells would not have enough EUR to support an offset second well; and

(2) because of the hyperbolic nature of the production curves, the first well drilled would likely get a majority of the EUR in the area within the first 2 years thus precluding the offset operator from having a chance to share economically.

### **PRORATIONING**

The Division was correct to include the topic of "prorationing" when it docketed the infill issue for hearing because the adoption of an "infill" provision for this pool will compel the adoption of prorationing. The fact that Yates has already drilled fifteen of the twenty-six approved infill wells creates a gas allowable problem:

(1) Should the Division deny pool wide infill drilling then it still must set an allowable for those spacing units which now have two producing wells or, in the alternative, require Yates to shut in one of them. Great Western recommends that the Division deny infill drilling and set a hearing for Yates to appear and show cause why it should be allowed to produce the infill wells concurrently with the parent well.

(2) Should the Division grant pool wide infill drilling, then it is essential to also adopt prorationing in order to protect correlative rights. Great Western recommends that should the Division grant infill drilling that it also adopt prorationing and have the Commission establish the gas allowables for the pool at its next allowable hearing currently set for February 15, 1996.

### **SUMMARY**

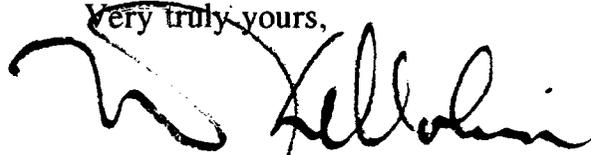
Great Western Drilling Company has concluded that the science and engineering evidence necessary to support the drilling of infill wells on a pool wide basis has not been presented.

Despite reservoir complexity and low permeability, Yates has presented convincing evidence that the overall reservoir pressure has been drawn down in the pool and new wells are not likely to encounter virgin pressure. Thus, new wells generally will simply accelerate the rate of recovery of existing reserves rather than increase ultimate pool recovery.

Michael E. Stogner  
January 31, 1996  
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Based upon Yates' economic evidence, the adoption of optional infill drilling will force the offset operator into drilling another well where, in most instances, only the first infill well will have any opportunity to achieve payout.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin". The signature is written in a cursive style with a large, sweeping initial "W".

W. Thomas Kellahin

*cc: William F. Carr, Esq.*  
*Attorney for Yates Petroleum Corporation*

*cc: Great Western Drilling Company*  
*Attn: Russell Richards*