ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

October 29, 1990

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Mr. Ernest L. Carroll Losee, Carson, Haas & Carroll Attorneys at Law Post Office Drawer 239 Artesia, New Mexico 88211-0239

Re: CASE NO. <u>10108</u> ORDER NO. <u>R-5353-L</u>

Applicant:

Yates Petroleum Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Clavidson

FLORENE DAVIDSON OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x Artesia OCD x Aztec OCD

Other James Bruce



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

UG FREE 💳

POST OFFICE BOX 2089

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504

15051 827-5800

BRUCE KING GOVERNOR October 19, 1992

ANITA LOCKWOOD CABINET SECRETARY

> Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705

Gentlemen:

In accordance with the provisions of Division Order No. R-5353-L entered on October 26, 1990, the Oil Conservation Division is reopening Case No. 10108 in order to give all operators in the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations for said pool should remain in effect.

This case will be heard before an examiner on October 29, 1992, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

Corene hlavidson

Florene Davidson OC Staff Specialist

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN ORDER AMENDING SPECIAL RULES AND REGULATIONS FOR THE SOUTH DAGGER DRAW ~ UPPER PENNSYLVANIAN ASSOCIATED POOL

CASE NO. /0/08

CERTIFICATE OF MAILING AND COMPLIANCE WITH RULE 1207

In accordance with Division Rule 1207, I hereby certify that on August 20, 1990, and on September 4, 1990, copies of the application filed in and notice of the hearing of the abovereferenced case, respectively, were mailed, at least twenty days prior to hearing originally set for October 3, 1990, to the operators and interested parties listed in Exhibit "A".

Also attached hereto are copies of said correspondence and notice as mailed to each operator and interested party as Exhibit "B".

By Sim (h Curred

LOSEE, CARSON, HAAS & CARROLL, P.A. P. O. Drawer 239 Artesia, New Mexico 88211-0239

Attorneys for Applicant

STATE OF NEW MEXICO) : ss. COUNTY OF EDDY)

SUBSCRIBED AND SWORN TO before me this September 11, 1990.

Notary Public

My commission expires:

McKay Oil Corporation P. O. Box 2014 Conoco, Inc. P. O. Box 1959 Midland, Texas 79702 Roswell, New Mexico 88201 Graham Royalty Texas Oil & Gas Corporation P. O. Box 3134 900 Wilco Building Covington, LA 70434-3134 Midland, Texas 79701 Estate of Kathleen Cone D. C. Trust P. O. Box 1509 P. O. Box 64244 Lovington, New Mexico 88260 Lubbock, Texas 79464 Clifford Cone Kenneth G. Cone P. O. Box 1509 P. O. Box 11310 Lovington, New Mexico 88260 Midland, Texas 79702 Cathie Cone Auvenshine

P. O. Box 658

Dripping Spring, Texas 78620-0658

EXHIBIT "A"

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Conoco, Inc. P. O. Box 1959 Midland, Texas 79702

> Application of Yates Petroleum Corporation Re: for an Order Amending Special Rules and Regu-lations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Applica-tion is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

P 574 253 502

Form 3800.

Very truly yours,

	RECEIPT FOR CERTIFIED NO INSURANCE COVERAGE PROVID NOT FOR INTERNATIONAL MAIL (See Reverse)	ED	SENDER: Complete items 1 and 2 when additio 3 and 4. Put your address in the "RETURN TO" Space on the r card from being returned to you. The return receipt fee w to and the date of delivery. For additional forst be follow	everse side. Failure to do this will prevent this	
989-234-555	Sent to Conoco, Inc.		to and the date of delivery. For additional fees the following services are available. Consult postmaste for fees and check box(es) for additional service(s) requested. 1. Show to whom delivered, date, and addressee's address. (Extra charge) (Extra charge)		
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une 1985	to whom and Date Delivered Return Receipt showing to whom.		6. Signature - Agent X - O M W!		
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ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOP (505) 748-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

McKay Oil Corporation P. O. Box 2014 Roswell, New Mexico 88201

> Application of Yates Petroleum Corporation Re: for an Order Amending Special Rules and Regu-lations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Applica-tion is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

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P 574 253 503

1989-234-555

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LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Graham Royalty P. O. Box 3134 Covington, Louisiana 70434-3134

Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

ERNEST L. CARROLL

JOEL M. CARSON

JAMES E. HAAS

A. J. LOSEE DEAN B. CROSS

> This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

P 574 253 504 RECEIPT FOR CERTIFIED MAIL

> NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (See Reverse)

> > Graham Royalty

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FRNEST & CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Texas Oil & Gas Corporation 900 Wilco Building Midland, Texas 79701

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

P 574 253 505

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ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Estate of Kathleen Cone P. O. Box 1509 Lovington, New Mexico 88260

Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

P 574 253 506

RECEIPT FOR CERTIFIED MAIL

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

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LAW OFFICES LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 748-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Clifford Cone P. O. Box 1509 Lovington, New Mexico 88260

> Application of Yates Petroleum Corporation Re: for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Sir:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the -- 2 -- · ter.

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LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Kenneth G. Cone P. O. Box 11310 Midland, Texas 79702

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Sir:

This office represents Yates Petroleum Corporation. On August 20, 1990 the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the mattendance at the

P 574 253 508

Very truly yours,

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LAW OFFICES LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Cathie Cone Havenshire P. O. Box 658 Dripping Spring, Texas 78620-0658

> Application of Yates Petroleum Corporation Re: for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Madam:

ERNEST L. CARROLL

JOEL M. CARSON

JAMES E. HAAS

DEAN B. CROSS

A. J. LOSEE

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P.O. State and ZIP Code		P. O. Box 658 Dripping Spring, TX 78620-0658	
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Return Receipt showing to whom and Date Delivered	+	7. Data of Delivery AUG 24 1990	170 0 0055 18 00 8 0055

1989-234-555 U.S.G.P.O.

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LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

August 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

D. C. Trust P. O. Box 64244 Lubbock, Texas 79464

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Madam:

ERNEST L. CARROLL

JOEL M. CARSON

JAMES E. HAAS

DEAN B. CROSS

A. J. LOSEE

This office represents Yates Petroleum Corporation. On August 20, 1990, the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Commission to amend those Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian. A copy of that Application is enclosed for reference. A date for the hearing has not been set as of this time, however, once a date is obtained, I will notify you of that hearing date. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

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D. C. Trust

08/20/90

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

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3. Article Addressed to:	4. Article Number P 132 556 248
D. C. Trust P. O. Box 64244 Lubbock, TX 79464	Type of Service: Registered Insured Z Certified COD Express Mail Return Receipt for Merchandise
	Always obtain signature of addressee or agent and DATE DELIVERED,
5-Signature - Address Han Lochner	8. Addresseet And provide VLY if requested and fee paid
6. Signature – Agent X	AUG 22 1990
7. Date of Delivery 8 - 21 - 20	- 1.82 (201-33)

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING

P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239 TELEPHONE (505) 746-3508

TELECOPY (505) 7+6-6316

September 4, 1990

Conoco, Inc. P. O. Box 1959 Midland, Texas 79702

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This letter serves to inform you that the above-referenced matter will be heard before the Oil Conservation Commission on October 3, 1990 in Santa Fe.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

And La Court Ernest L. Carroll

ELC:kth Enclosure

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

September 4, 1990

McKay Oil Corporation P. O. Box 2014 Roswell, New Mexico 88201

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

mu (L Couot) Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

September 4, 1990

Graham Royalty P. O. Box 3134 Covington, Louisiana 70434-3

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

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Gentlemen:

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

man (Z. Courol) Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

September 4, 1990

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Texas Oil & Gas Corporation 900 Wilco Building Midland, Texas 79701

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This letter serves to inform you that the above-referenced matter will be heard before the Oil Conservation Commission on October 3, 1990 in Santa Fe.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO BB211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

September 4, 1990

Estate of Kathleen Cone P. O. Box 1509 Lovington, New Mexico 88260

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

This letter serves to inform you that the above-referenced matter will be heard before the Oil Conservation Commission on October 3, 1990 in Santa Fe.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

min (L Courol) Ernest L. Carroll

ELC:kth Enclosure

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508 TELECOPY (505) 746-6316

September 4, 1990

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Clifford Cone P. O. Box 1509 Lovington, New Mexico 88260

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Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

And L Court Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508

TELECOPY (505) 746-6316

September 4, 1990

Kenneth G. Cone P. O. Box 11310 Midland, Texas 79702

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Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

n -

This letter serves to inform you that the above-referenced matter will be heard before the Oil Conservation Commission on October 3, 1990 in Santa Fe.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508

TELECOPY (505) 746-6316

September 4, 1990

Cathie Cone Havenshire P. O. Box 658 Dripping Spring, Texas 7862(

> Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

Gentlemen:

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

min La Court Ernest L. Carroll

ELC:kth Enclosure

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ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS 300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

TELEPHONE (505) 746-3508

TELECOPY (505) 746-6316

September 4, 1990

D. C. Trust P. O. Box 64244 Lubbock, Texas 79464

- -

Re: Application of Yates Petroleum Corporation for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR October 19, 1992

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Marathon Oil Company P. O. Box 552 Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Order No. R-5353-L entered on October 26, 1990, the Oil Conservation Division is reopening Case No. 10108 in order to give all operators in the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations for said pool should remain in effect.

This case will be heard before an examiner on October 29, 1992, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

ene blavidson

Florene Davidson OC Staff Specialist



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR October 19, 1992

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Nearburg Producing Company Box 823085 Dallas, Texas 75382-3085

Gentlemen:

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Sincerely,

Corene Mavidson

Florene Davidson OC Staff Specialist



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

RUG FREE

BRUCE KING GOVERNOR October 19, 1992

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (S05) 827-5800

McKay Oil Corporation One McKay Place Roswell, New Mexico 88201

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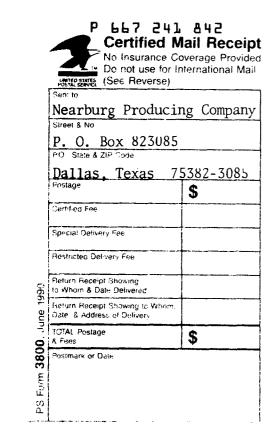
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Sincerely,

Florene illuidson

Florene Davidson OC Staff Specialist

 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 t return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered delivered. 	k if space 1. Addressee's Address
3. Article Addressed to: Nearburg Producing Company P. O. Box 823085 Dallas, Texas 75382-3085	4a. Article Number P 667 241 842 4b. Service Type □ Registered Insured □ Certified □ COD □ Express Mail □ Return Receipt for Merchandise 7. Date of Delivery □ □ □
5. Signature (Addressee) 6. Signature (Agent) PS Form 3811, December 1991 # U.S.G.P.O. : 1992-3	8. Addressee's Address (Only if requested and fee is paid) 307-530 DOMESTIC RETURN RECEIPT



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 the return this card to you. • Attach this form to the front of the mailpiece, or on the back does not permit. • Write "Return Receipt Requested" on the mailpiece below the a • The Return Receipt will show to whom the article was delivered delivered.	c if space 1. □ Addressee's Address rticle number. 2. □ Restricted Delivery
3. Article Addressed to: McKay Oil Coporation One McKay Place Roswell, New Mexico 88201	4a. Article Number P 667 241 \$43 4b. Service Type Registered Insured X Certified COD Express Mail Return Receipt for Merchandise 7. Date of Delivery 10/2.9/92
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PS Form 3811, December 1991 * U.S.G.P.O.: 1992-307-530 DOMESTIC RETURN RECEIPT

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Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a	
delivered. 3. Article Addressed to:	4a. Article Number
Marathon Oil Company P. O. Box 552 Midland, Texas 79702	P 667 241 844 4b. Service Type Insured Registered Insured Certified COD 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)
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P 667 241 844 No Insurance Coverage Provided Do not use for International Mail (See Reverse) Sent to Marathon Oil Company Street & No P 0 Box 552 PO, State & ZIP Code Midland, Texas 79702 Postage \$ Certified Fee Special Delivery Fee **Restricted Delivery Fee** Return Receipt Showing to Whom & Date Delivered 1990 Return Receipt Showing to Whom, Date: & Address of Delivery June TOTAL Postage & Fees \$ PS Form 3800. Postmark or Date

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR October 19, 1992

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

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

Gentlemen:

In accordance with the provisions of Division Order No. R-5353-L entered on October 26, 1990, the Oil Conservation Division is reopening Case No. 10108 in order to give all operators in the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations for said pool should remain in effect.

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Sincerely,

Horene Lavidson

Florene Davidson OC Staff Specialist

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LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS A. J. LOSEE DEAN B. CROSS

300 YATES PETROLEUM BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

(505) 746-3508 TELECOPY (505) 746-6316

September 13, 1990

Carle 10/08

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. LeMay:

Enclosed for filing, please find three copies of a Certificate of Mailing and Compliance with Rule 1207 in connection with Yates Petroleum Corporation's Application for an Order Amending Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian Associated Pool.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

- mail Z Canolf

Ernest L. Carroll

ELC:kth Enclosures

cc: Kathy Porter, Yates Petroleum Corporation

Kellahin and Kellahin

ATTORNEYS AT LAW EL PATIO BUILDING II7 NORTH GUADALUPE POST OFFICE BOX 2265 SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW Telephone (505) 982-4285 Telefax (505) 982-2047

October 30, 1992

JASON KELLAHIN (RETIRED 1991)

William J. LeMay Oil Conservation Division 310 Old Santa Fe Trail Room 219 Santa Fe, New Mexico 87501

RECEIVED

RE: NMOCD CASE NO. 10108 REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-5353-L, AS AMENDED, TO SHOW CAUSE WHY THE AMENDED TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE SOUTH DAGGER-DRAW-UPPER PENNSYLVANIAN ASSOCIATED POOL SHOULD NOT BE RESCINDED, EDDY COUNTY, NEW MEXICO

HAND DELIVERE

Dear Mr. LeMay:

On behalf of Conoco, Inc. and Marathon Oil Company, we respectfully request that the abovereferenced case be continued to the December 19, 1992 Hearing Examiner's Docket. This continuance will allow for adequate preparation for the hearing.

If you have questions or require further information, please call.

Very truly yours

W. Thomas Kellahin

WTK/jcl xc: Jerry Hoover - Conoco, Inc. Thomas C. Lowry - Marathon Oil Co. Ernest Carroll, Esq.

hrt1030.089

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



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

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

September 28, 1990

New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87503

Attention: Mr. William J. LeMay, Director

Re: Increasing New Mexico Oil Production

Dear Mr. LeMay:

On September 24, 1990 you held an open meeting in Santa Fe to discuss potential methods for increasing oil production in the State of New Mexico during the current energy crunch. I believe this meeting was very informative and that some ideas were put forth that might help your Division accomplish such an increase. Toward the end of this meeting you requested that companies furnish information which could give the Commission an idea of how much oil could be produced if changes in allowable were made.

During this meeting the Dagger Draw Field, located southwest of Artesia, Eddy County, New Mexico, was discussed by representatives of Conoco and myself. Yates Petroleum feels that additional oil can be produced from the Dagger Draw Field, as apparently Conoco does, by increasing the allowable for that field.

Yates Petroleum Corporation has made application to NMOCD for a hearing requesting that the Pool Rules in the North Dagger Draw Field and South Dagger Draw Field be made equivalent as to allowables and GOR even though the spacing for the two fields are different. We will assume for the purpose of the information provided in this letter that our application will be approved.

In the Dagger Draw Field, including both North Dagger Draw and South Dagger Draw, Yates Petroleum Corporation-operated wells produce an approximate total of 4500 barrels of oil per day at the present time. With a doubling of the allowable, we project that Yates Petroleum Corporation-operated wells could possibly produce a total of 5100 barrels of oil per day with no additional drilling or expenditure. With the drilling of fifteen or so additional wells in the area, we believe that production could be increased, with a greater allowable, to an approximate 6500-7000 barrels of oil per day. This increase, however, would depend upon the drilling of additional wells and installation of additional facilities which, as I stated in Monday's meeting, would require more than a temporary ninety-day change in allowable to justify such expenditure.

fæter 10105

New Mexico Oil Conservation Division September 28, 1990

Page 2

We trust that this information will help you in your decision-making process and should you need anything further, please do not hesitate to give us a call.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy A Fathant

Randy G. Patterson Land Manager

RGP/mw