

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

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

OIL CONSERVATION DIVISION
RECEIVED
'92 MAY 28 AM 8 52

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

May 27, 1992

Mr. Michael Stogner, Examiner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation to
Reopen Case No. 10460

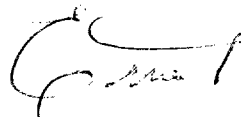
Dear Mike:

Pursuant to our phone conversation, I am enclosing herewith our Application to Reopen, in duplicate, for your handling. I would appreciate it if you would see that it is properly filed.

Please advise if you require anything further. Thank you for your assistance in this matter.

Very truly yours,

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



Ernest L. Carroll

ELC:kth
Enclosures

xc w/encl: Rob Bullock

**BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO**

IN THE MATTER OF THE APPLICATION OF	:	
YATES PETROLEUM CORPORATION FOR	:	CASE NO. 10460
PERMISSION TO DRILL A DEVIATED HOLE,	:	
EDDY AND LEA COUNTIES, NEW MEXICO	:	
	:	

APPLICATION TO REOPEN

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys Losee, Carson, Haas & Carroll, P.A. (Ernest L. Carroll), and in support hereof respectfully states:

1. Applicant is the operator of the Delaware and intermediate formations underlying:

Township 21 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Section 19: Unit L,

and proposes to drill its Bonneville "AKK" Federal No. 3 Well to be bottomed at a standard oil well location approximately 1980 feet from the South line and 660 feet from the West line in Lot 3 (NW/4 of the SW/4 equivalent) of said Section 19, being a non-standard 43.39 acre oil spacing and proration unit for said pool.

2. Prior to this date, Applicant's original application for permission to drill a deviated hole was heard on April 2, 1992, before Examiner David R. Catanach, and on April 9, 1992, Order No. R-9662 was entered in said case.

3. Applicant incorporates by reference the findings contained in said Order as if they were fully set out herein.

4. At the time that Yates Petroleum Corporation sought approval of the Bonneville "AKK" Federal No. 3 as a deviated hole, it also sought approval of the Bonneville "AKK" Federal No. 2 in Case No. 10461. Approval was likewise granted to drill the Bonneville "AKK" Federal No. 2 as a deviated hole, and the drilling of that well has begun.

5. Both of the applications in Case No. 10460 and in 10461 were made for the same surface location, because at the time of application, Applicant was unsure as to whether it would drill both wells. Applicant has now determined that it should drill both wells and seeks to have Case 10460 reopened so that it can move the surface location of the Bonneville "AKK" Federal No. 3 Well some 210 feet to the north of the approved location, so as to accommodate the drilling of both the Bonneville "AKK" Federal No. 3 and the Bonneville "AKK" Federal No. 2. Attached as Exhibit 1 is a land plant showing the new location.

6. The proposed location that Applicant now seeks to drill the Bonneville "AKK" Federal No. 3 as a deviated hole from is 810 feet from the South line and 200 feet from the East line of Section 24, Township 21 South, Range 31 East.

7. Applicant has given due notice to the affected potash lessee, as reflected by the attached Exhibit 2.

8. Applicant seeks administrative approval of the location change for the drilling of the deviated hole Bonneville "AKK" Federal No. 3 well.

9. Applicant seeks approval of this application on the same evidence and terms on which approval was granted in Order R-9662.

10. The approval of this application will afford Applicant the opportunity to produce its just and equitable share of oil, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

A. That this application be called up for hearing and, should no objection be raised, that administrative approval be given for the change of the surface location for the Bonneville "AKK" Federal No. 3.

B. That this location change be made so that Applicant may drill its Bonneville "AKK" Federal No. 3 Well at a point on the surface located 810 feet from the South line and 200 feet from the East line of Section 24, Township 21, Range 31 East, N.M.P.M., to be bottomed at a standard oil well location approximately 1980 feet from the South line and 660 feet from the West line in Lot 3 (NW/4 of the SW/4 equivalent) of said Section 19, being a non-standard 43.39 acre oil spacing and proration unit for said pool,

which is reasonably presumed to be productive of oil from the Delaware or intermediate formations.

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

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Applicant

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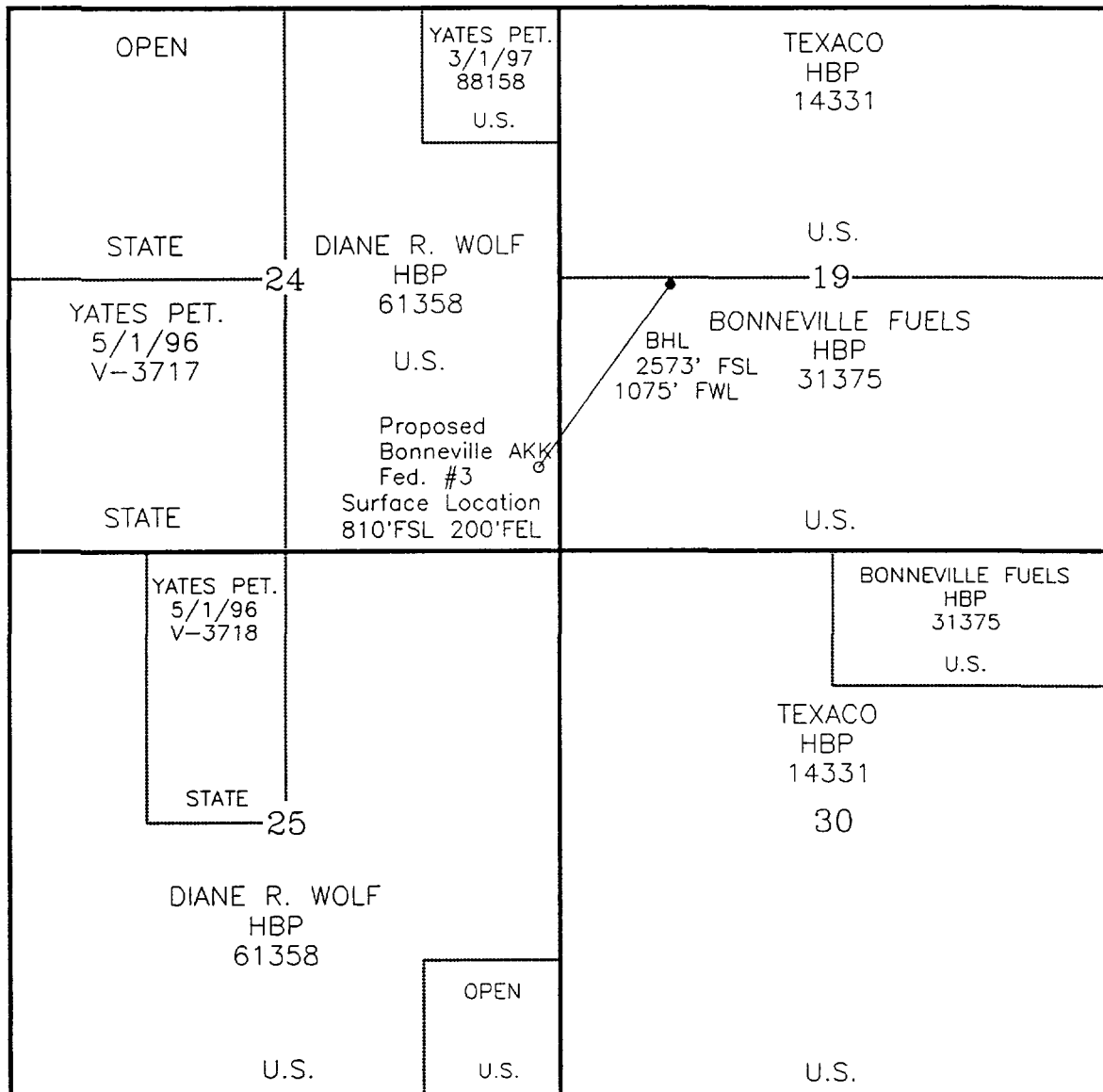
By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Applicant

T21S-R31E

T21S-R32E



Eddy County

Lea County



SCALE: 3"=1Mile
MAP #92018A
3/92 (Rev. 5/92) LF

EXHIBIT "A"

OIL & GAS LESSEES

BONNEVILLE AKK FED. #3

DIRECTIONAL DRILL

Eddy & Lea Counties

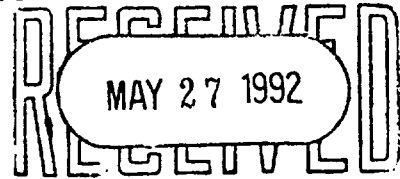
T21S-R31&32E

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



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

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



May 15, 1992

Mr. Bob Lane
New Mexico Potash
P.O. Box 610
Hobbs, New Mexico 88241

Dear Mr. Lane:

Yates Petroleum Corporation received approval to drill the Bonneville "AKK" Federal #3 at the surface location of 660' FSL and 200' FEL, Section 24-T21S-R31E on April 15, 1992 to drill a directional hole with a target zone of 1980' FSL and 660' FWL in Section 19-T21S-R32E. Yates is drilling the Bonneville AKK Federal #2 at that location. Due to the equipment on the Bonneville AKK Federal #2 and the Wolf AJA Federal #7, 660' FSL and 330' FEL, Section 24-T21S-R31E, to accommodate the drilling rig, it is necessary to move the Bonneville AKK Federal #3 to 810' FSL and 200' FEL, Section 24-T21S-R31E on the NE corner of the Wolf AJA Federal #7 pad and 150' north of the Bonneville AKK Federal #2 wellbore.

We respectfully request that your company waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope. A copy of the Sundry Notice and new plat sent to the Bureau of Land Management is enclosed.

Your favorable consideration of this request will be greatly appreciated. Should you have any questions, please call me at 748-1471.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tgr
Enclosures

NO OBJECTIONS OFFERED
NEW MEXICO POTASH

OBJECTIONS OFFERED
NEW MEXICO POTASH

By Tain Woomer
Title Mine Engineer
Date May 26, 1992

By _____
Title _____
Date _____

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tgr
Enclosures

NO OBJECTIONS OFFERED
NEW MEXICO POTASH

By _____

Title _____

Date _____

OBJECTIONS OFFERED
NEW MEXICO POTASH

By _____

Title _____

Date _____

(BACK)

PS Form 3800, June 1985

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

P 384 290 571
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to	
Mr. Bob Lane/NM Potash	
Street and No	
P.O. Box 610	
Hobbs, New Mexico 88241	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom, to whom and Date Delivered	
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
 5-15-92
 Bonneville AKK Fed. #3

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):

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

Consult postmaster for fee.

3. Article Addressed to:

Mr. Bob Lane
 New Mexico Potash
 P.O. Box 610
 Hobbs, New Mexico 88241

4a. Article Number

P 384 290 571

4b. Service Type

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

7. Date of Delivery

5. Signature (Addressee)

[Signature]

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

6. Signature (Agent)

[Signature]

Bonneville AKK Fed. #3

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

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No.

105 South Fourth Street, Artesia, New Mexico

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface - 810' FSL and 200' FEL, Sec. 24-T21S-R31E, Eddy Co., NM
Producing - 1980' FSL and 660' FWL, Sec. 19-T21S-R33E, Lea Co., NM

5. Lease Designation and Serial No.

NM-31375

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Bonneville "AKK" Fed.

9. API Well No.

10. Field and Pool, or Exploratory Area

W. Lusk Delaware

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Move location
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

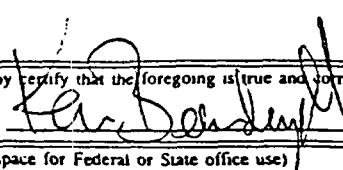
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to amend the surface use plan to move the surface location 150' north to 810' FSL and 200' FEL, Section 24-T21S-R31E, Eddy County, New Mexico. Archeological survey was done by Pecos Archeological Consultants, March 31, 1992. (New plat attached.)

14. I hereby certify that the foregoing is true and correct

Signed



Title Landman

Date 5-6-92

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

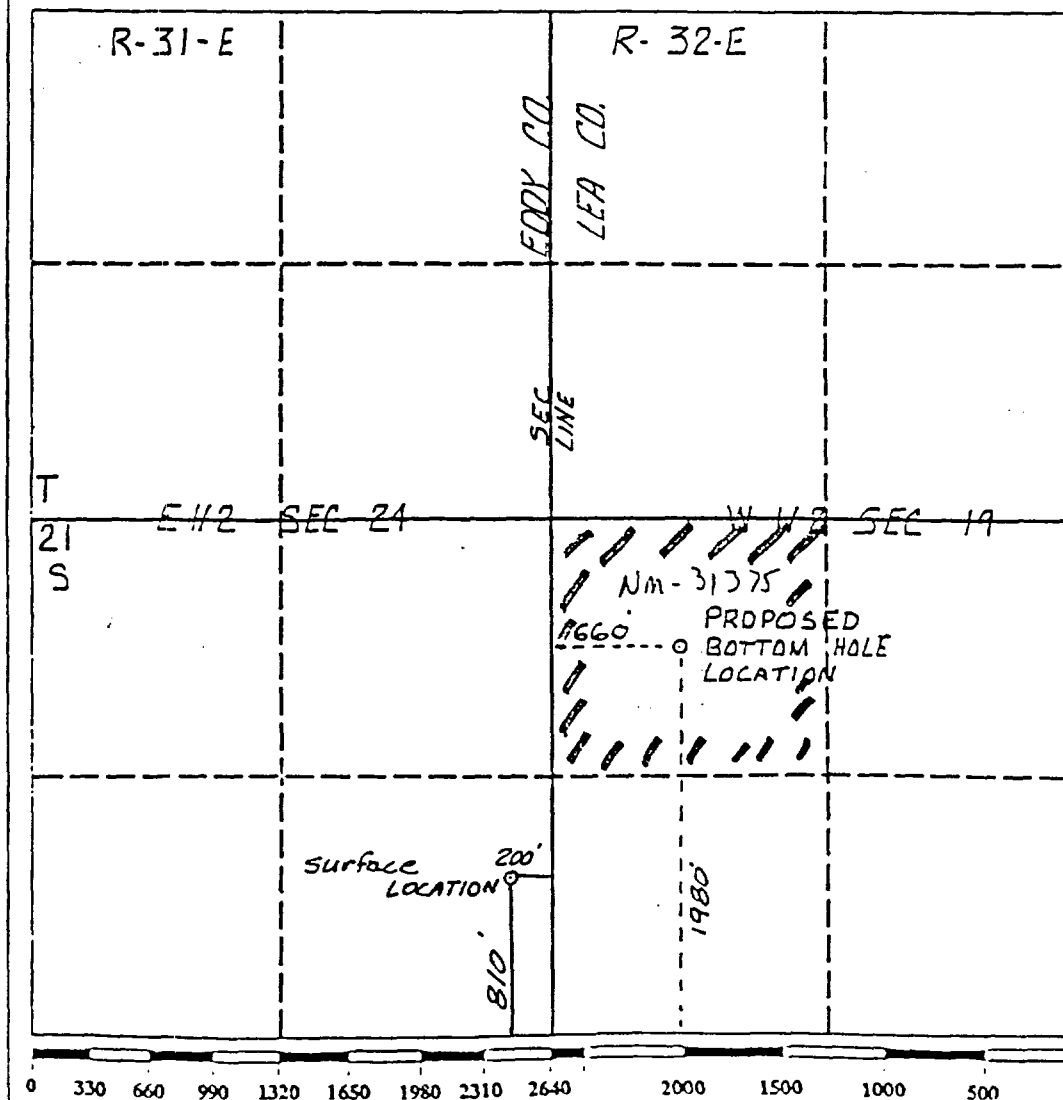
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease BONNEVILLE AKK FEDERAL		Well No. 3
Unit Letter P	Section 24	Township 21 SOUTH	Range 31 EAST	County NMPM SEE BELOW	
Actual Footage Location of Well: 810 feet from the SURFACE LOCATION line and 200 feet from the EAST line					
Ground level Elev. 3636.	Producing Formation Delaware		Pool Wet Look Delaware		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Ken Beardemphl*
Printed Name **Ken Beardemphl**
Position **Landman**
Company **Yates Pet. Corp.**
Date **5-8-92**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

Date Surveyed **MAY 7, 1992**
Signature *Ken Beardemphl*
Professional Surveyor
NEW MEXICO
5412
NM REGS NO. 5412
PROFESSIONAL SURVEYOR