

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

5 September 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum
Corporation for a non-standard
proration unit or in the alter-
native compulsory pooling, Eddy
County, New Mexico.

CASE
8304

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Charles E. Roybal
Attorney at Law
Energy and Minerals Dept.
525 Camino de Los Marquez
Santa Fe, New Mexico 87501

For the Applicant:

Chad Dickerson
Attorney at Law
LOSEE, CARSON, DICKERSON, P. A.
P. O. Drawer 239
Artesia, New Mexico 88210

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I N D E X

JANET RICHARDSON

Direct Examination by Mr. Dickerson

E X H I B I T S

Yates Exhibit One, Map	5
Yates Exhibit Two, Completion Report	6
Yates Exhibit Three, Letter	6

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3 MR. QUINTANA: We will call
4 next Case 8304.

5 Mr. ROYBAL: Case 8304, appli-
6 cation of Yates Petroleum for a non-standard proration unit
7 or in the alternative compulsory pooling, Eddy County, New
8 Mexico.

9 MR. DICKERSON: Mr. Examiner, I
10 am Chad Dickerson of Artesia, New Mexico, on behalf of the
11 applicant, and we have one witness.

12 Because of--I might say, Mr.
13 Examiner, because of some discussions with Mr. Ray Graham
14 with the Land Office and Mr. Stamets in your office, I think
15 the portion of this application which seeks compulsory
16 pooling can be dismissed and we'll proceed with just the ap-
17 plication for a non-standard proration unit.

18 MR. QUINTANA: Well, let me ask
19 are there any other appearances in this case?

20 Let the record show that appli-
21 cant has requested that the compulsory pooling portion of
22 this application be dismissed, and that portion will so be
23 dismissed.

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25 (Witness sworn.)

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JANET RICHARDSON,

being called as a witness and having been duly sworn upon
her oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name, your occupa-
tion, and where you reside, please?

A Janet Richardson. I work at Yates Petro-
leum Corporation and I live at 1108 Yates in Artesia, New
Mexico.

Q Ms. Richardson, you are a landman and
have previously testified before this Division as a landman,
have you not?

A Yes, I have.

MR. DICKERSON: Is this witness
qualified, Mr. Examiner?

MR. QUINTANA: Yes, she is.

Q Ms. Richardson, would you briefly sum-
marize the purpose of Yates' application in Case 8304?

A Yes. We're here to seek approval of a
non-standard spacing unit in the northeast corner of the
northeast quarter and the south half of the northeast quar-
ter of Section 36, Township 20 South, Range 27 East.

Q What circumstances gave rise to this re-
quest for an non-standard proration unit?

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A Well, we drilled a--or we thought we drilled a 40-acre oil well, on a standard location, and we inadvertently got a 160-acre gas well.

Q What is the reason for the request for a non-standard unit of the 120 acres instead of the standard 160-acre gas unit?

A Cities Service already has an existing deep gas well in the northwest of the northeast quarter, and have requested that we request this 120 acres facing it. They did not want to join with us in the drilling of this well.

Q Ms. Richardson, would you refer to the map that we have marked as Exhibit Number One and tell the Examiner what is shown on that map?

A This just shows the spacing unit we are requesting and it shows the gas well we have on it, and it also shows Cities Service's well in the northwest of the northeast.

Q What is the situation concerning the underlying title of the 160 acres in question?

A It's all under State Lease K-6261.

Q And title is uniform throughout that 160?

A Yes, yes.

Q Have any discussions been had between representatives of Yates and the Land Office, the Commissioner of Public Lands, with regard to whether it might have any opposition to Yates' request for a non-standard unit under these circumstances?

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2 A Yes, we've had a conversation with Mr.
3 Ray Graham with the State Land Office, and he has said that
4 seeing as it is all under one lease and the same title that
5 they have no objection to this.

6 Q Refer to what you have marked as Exhibit
7 Number Two and tell us what that shows.

8 A This is a completion report showing the
9 completion of our well, the Citdel ZG State No. 1.

10 Q And that's the well indicated in the
11 northeast quarter of the northeast quarter of Section 36, is
12 that correct?

13 A Yes, it is.

14 Q And that completion report shows this
15 well to be completed as a gas well in the Bone Springs for-
16 mation?

17 A Yes, it is.

18 Q Refer to Exhibit Number Three and state
19 what that is.

20 A This is a copy of a letter we received
21 from Cities Service requesting that we get the reduced
22 spacing unit for this well. We had telephoned them and re-
23 quested a farm-out of their acreage or to know if they would
24 join, and they sent this letter saying that they did not
25 wish to.

26 Q So this request for a non-standard prora-
27 tion unit is actually at the instance of City Service?

28 A Yes, it is.

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MR. DICKERSON: Mr. Examiner,
at this time move the admission of Applicant's Exhibits One,
Two, and Three.

MR. QUINTANA: Exhibits One
through Three will so be admitted.

MR. DICKERSON: And I have no
further questions.

MR. QUINTANA: Does anybody
have any further questions of the witness? The witness may
be excused.

Case 8304 will be taken under
advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY
that the foregoing Transcript of Hearing before the Oil Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete and correct transcript of the
the Examination held on 8304
heard by me on SEPT. 5 1984
Gilbert P. Quintana, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

22 August 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-	CASE
poration for a non-standard proration	8304
unit or in the alternative compulsory	
pooling, Eddy County, New Mexico.	

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	W. Perry Pearce
Division:	Attorney at Law
	Oil Conservation Commission
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:

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MR. STOGNER: Call next Case
Number 8304.

MR. PEARCE: That case is on
the application of Yates Petroleum Corporation for a
non-standard proration unit, or in the alternative
compulsory pooling, Eddy County, New Mexico.
County, New Mexico.

Mr. Examiner, applicant has re-
quested continuance until September the 5th, 1984.

MR. STOGNER: Case Number 8304
will be continued to the Examiner Hearing scheduled for
September 5th, 1984.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY
that the foregoing Transcript of Hearing before the Oil Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete and correct record of the proceedings in
the Examiner hearing of Case No. 8304
heard by me on August 22, 1984.
Michael E. Stogner, Examiner
Oil Conservation Division