

CASE 6748: YATES PETROLEUM CORPORATION *in*  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

---

Case No.

6748

Application

Transcripts.

Small Exhibits

ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor- ) CASE  
ation for an unorthodox gas well ) 6748  
location, Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant: Chad Dickerson, Esq.  
LOSEE, CARSON, & DICKERSON  
Artesia, New Mexico

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Court Reporting Service  
Santa Fe, New Mexico 87501

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I N D E X

MARK WILSON

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MR. STAMETS: We'll call next Case 6748.

MR. PADILLA: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

MR. DICKERSON: My name is Chad Dickerson. I have one witness to be sworn.

MR. STAMETS: I believe this witness was sworn in the last case and he is still considered qualified and sworn in this case.

MARK WILSON

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q. Mr. Wilson, are you familiar with the application of Yates Petroleum Corporation in Cause Number 6748?

A. I am.

Q. Will you briefly describe the purpose of this application?

MR. STAMETS: The believe the record should show that this is Mr. Mark Wilson.

A. In Case 6748 Yates Petroleum Corporation, operator of the Rio Pecos Working Interest Unit, requests

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1 approval for the unorthodox Morrow gas well location of its  
2 Rio Pecos "MH" Federal No. 1, to be drilled 1980 feet from  
3 the south line and 1100 feet from the east line of Section 29,  
4 Township 18 South, Range 27 East, Red Lake Morrow Gas Field,  
5 Eddy County, New Mexico; the south half of said Section 29  
6 is to be dedicated to the well.

7 Q Will you refer to what is marked Exhibit  
8 Number One and describe what that instrument is?

9 A Exhibit One is a land plat showing the  
10 proposed well site in red, a red dot, the outline of the Rio  
11 Pecos Unit in red, and Federal Lease New Mexico 025605 in  
12 yellow. This Federal lease is held by production by a single  
13 Premier Sand well, the Harmon Oil Company Federal "T" No. 3  
14 in the northeast quarter of the southeast quarter of Section  
15 29, which over the last six months of available production  
16 reports, has averaged 1.64 barrels of oil per day. It should  
17 be noted that the proposed well site is well within the unit  
18 outline.

19 Q Please refer to what is marked Exhibit  
20 Number Two and describe what that instrument is.

21 A Exhibit Two shows in solid contours with  
22 a 10-foot contour interval, the thickness of the Upper Morrow  
23 A zone. The proposed drillsite, shown with a red dot, lies  
24 just west of the axis of a northwest/southeast trending Morrow  
25 thick. Gas production in Rio Pecos "GB" 1 in the north half

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Santa Fe, New Mexico 87501

1 of Section 29 and Rio Pecos "GB" 2 in the west half of Section  
2 20, is from an A zone channel sandstone having a northwest/  
3 southeast trend, as indicated by the similar trend of this  
4 alluvial valley. The proposed drillsite should encounter  
5 this channel sandstone near the axis of the Morrow thick,  
6 where it should have nearly the optimum thickness.

7 The dashed contours with 100-foot contour  
8 interval, represent the structural configuration on top of  
9 the Atoka series, which is generally to the southeast inter-  
10 rupted by a minor anticlinal nose in the area of the drill  
11 site and the two wells to the north. Since gas is present  
12 in the A zone sandstones to the south in a well in Section 32,  
13 18, 27, and a well in Section 5 of 19, 27, in a lower struc-  
14 tural position with respect to the proposed drillsite, no  
15 problem with water is expected.

16 Q Please refer to what is marked Exhibit  
17 Number Three and describe that exhibit.

18 A Exhibit Three is a northwest/southeast  
19 Morrow stratigraphic cross section on which the top of the  
20 Morrow B zone is used as the datum.

21 The location of this cross section is shown  
22 on Exhibit Two. The top of the Morrow series and the tops of  
23 the Mississippian Chester Shale and Chester Limestone, are  
24 shown with heavy lines. The interval Isopached, the Morrow A  
25 zone, with solid contours on enclosure two, is from the top

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1 of the Morrow Clastics, labeled Top A Zone on the cross  
2 section, to the top of the B zone, which is the datum for  
3 the cross section. The top of the B zone is a sharp break  
4 at the base of the A shale and at the top of the generally  
5 thin, impermeable sandstones of the Upper B zone. The A zone  
6 is thickest in three northwest/southeast trending areas shown  
7 on enclosure two, where channel sandstones are present.  
8 These channel sandstones are characterized by excellent re-  
9 servoir properties. The Rio Pecos channel sandstone, shown  
10 in the mid-A zone, is the pay zone in Wells 1 and 2 on the  
11 cross section.

12 Q. Mr. Wilson, were Exhibits One, Two, and  
13 Three prepared by you or under your direction?

14 A. Could I delay that just one minute? I've  
15 got a little more here.

16 Morrow channel sandstones shown in enclosure  
17 three, are water-bearing in this area. That is, the Lower  
18 Morrow channel sandstones are water-bearing, and because  
19 they have an entirely different east/west trend and no traps  
20 are present locally.

21 In summary, the proposed unorthodox  
22 drill site is designed to place us near the axis of the A  
23 zone thick, thus offering the opportunity to get the maximum  
24 thickness of the Rio Pecos A Zone channel sandstone pay.  
25 It will be noted that this sandstone is 42 feet thick in



1 "GB" No. 2, which is well one on enclosure three, and is 42  
2 feet thick there, and the A zone itself is 100 feet thick,  
3 and this channel is 29 feet thick in the "GB" 1, where the  
4 A zone is only 82 feet thick. In other words, there is a  
5 correlation there, the thicker the A zone interval is, the  
6 thicker the channel sandstone seems to be, and of course, the  
7 thickness is due to -- is where the channels are there is not  
8 nearly as much compaction, where the channels are present;  
9 therefore, you get the thick.

10 Getting the best well possible should be  
11 in the interest of all parties holding an interest in the  
12 proposed spacing unit in the south half of Section 29.

13 Q Now, Mr. Wilson, were Exhibits One, Two,  
14 and Three prepared by you or under your direction?

15 A They were. I did them.

16 MR. DICKERSON: Mr. Examiner, move the ad-  
17 mission of these exhibits.

18 MR. STAMETS: These exhibits will be ad-  
19 mitted.

20 Q Mr. Wilson, in your opinion would the  
21 granting of this application be in the interests of conser-  
22 vation, protect correlative rights, and prevent waste?

23 A I believe it would.

24 MR. DICKERSON: Mr. Examiner, that's all  
25 the questions we have.

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## CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Wilson, just one question here.

A. Okay.

Q. Looking at Exhibit Number Two and taking well number one on the cross section.

A. Yes.

Q. It appears as though you show 100 feet of Morrow sand.

A. This is an Isopach of the total A zone, there on Exhibit Two, from the top of the clastic section in the Morrow down to the top of the B zone. That would be that total Isopach interval, which is 100 feet.

Now, if you look back to the cross section within that 100-foot interval there is a channel sandstone which is 42 feet thick.

Q. All right, I see. This is not --

A. However, there is a thin channel sandstone above that, which is 14 feet thick.

Q. This is not a net sand Isopach but --

A. That's right, it's from the top of the A zone, which is top of the clastics in this case, down to the top of the B zone.

It's interesting, just in passing, that

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San Francisco, California 94102  
87501

1 when you are able to break this thing down within the Morrow  
2 into A zone, B zone, or any other subdivision, you can make  
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5 sands and the lower sands. Of course, you can't do that ex-  
6 cept in restricted areas, like around the Dayton Field, from  
7 there over east into the South Empire.

8 MR. STAMETS: Are there any other questions  
9 of the witness? He may be excused.

10 Anything further in this case?

11 The case will be taken under advisement.

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(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the matter of 67-18  
heard by me on 11-28 1979.  
Richard H. Stant, Examiner  
Oil Conservation Division

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
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San Francisco, New Mexico 87501

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CROSS EXAMINATION

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13 (Hearing concluded.)  
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reporting service

General Court Reporting Service  
South Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the examiner hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

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General Court Reporting Service  
801 E. 1st St., New Mexico 87501



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

December 31, 1979

Mr. Chad Dickerson  
Losee, Carson & Dickerson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 6748  
ORDER NO. R-6209

**Applicant:**

Yates Petroleum Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6748  
Order No. R-6209

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX  
GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of December, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Rio Pecos "MH" Fed. Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 1100 feet from the East line of Section 29, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the S/2 of said Section 29 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.



-2-

Case No. 6743  
Order No. R-6209

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

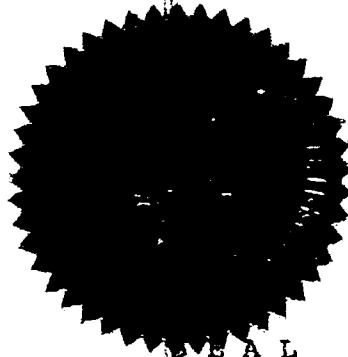
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Yates Petroleum Corporation Rio Pecos "MH" Fed. Well No. 1 to be located at a point 1980 feet from the South line and 1100 feet from the East line of Section 29, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 29 shall be dedicated to the above-described well.

(3) That 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.



VE A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/



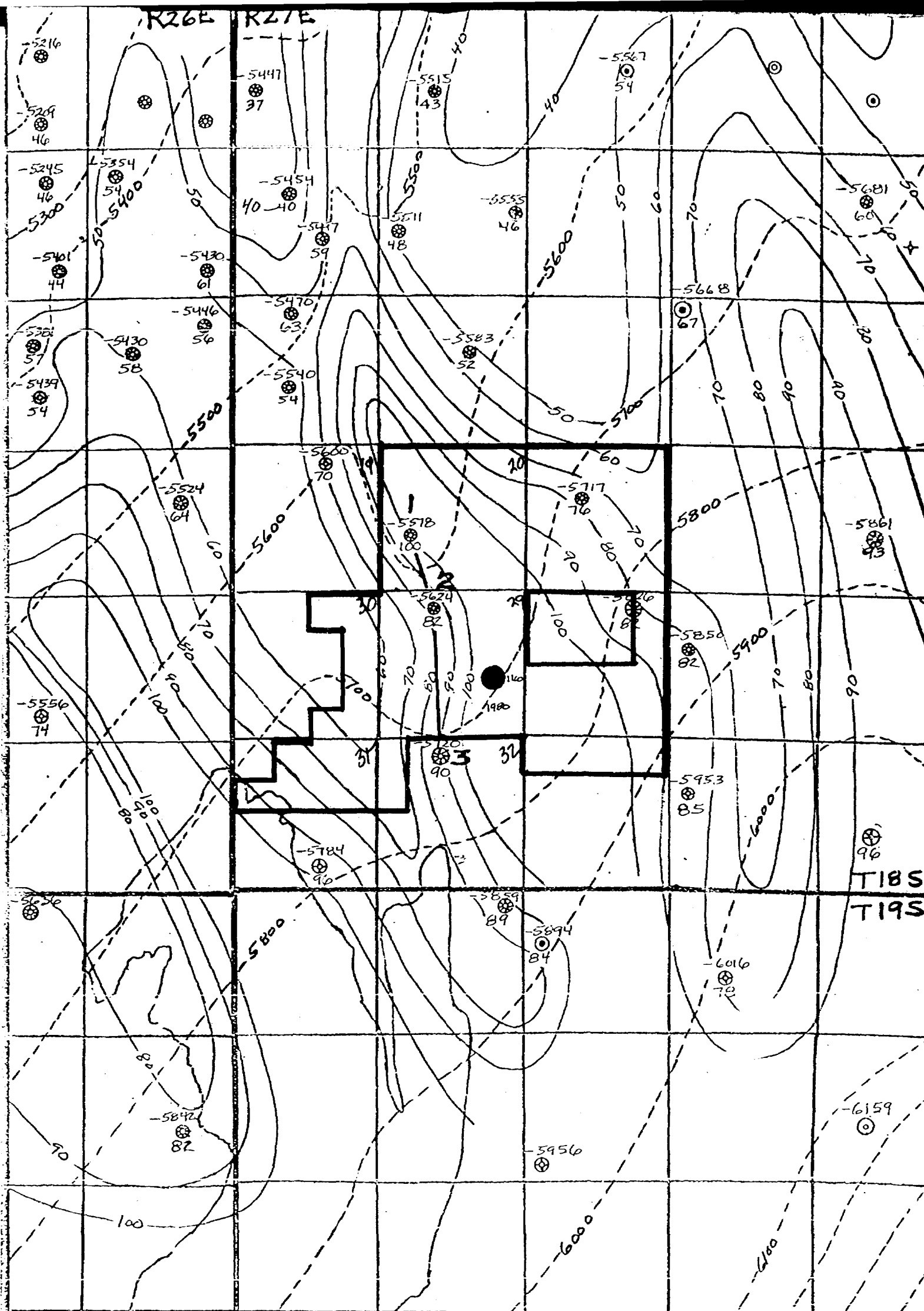


EXHIBIT 2 - GEOLOGY  
CASE 6748 - UNORTHODOX MORROW LOCATION  
1980' FSL 1100' FEL  
Sec. 29-T18S-R27E  
Red Lake Morrow Gas Field  
Eddy County, New Mexico  
Red - Outline of Rio Pecos W.I. Unit  
Solid Contours - Morrow "A" Zone Thickness  
Dashed Contours - Structure: Top Atoka  
Scale 1" = 4000'

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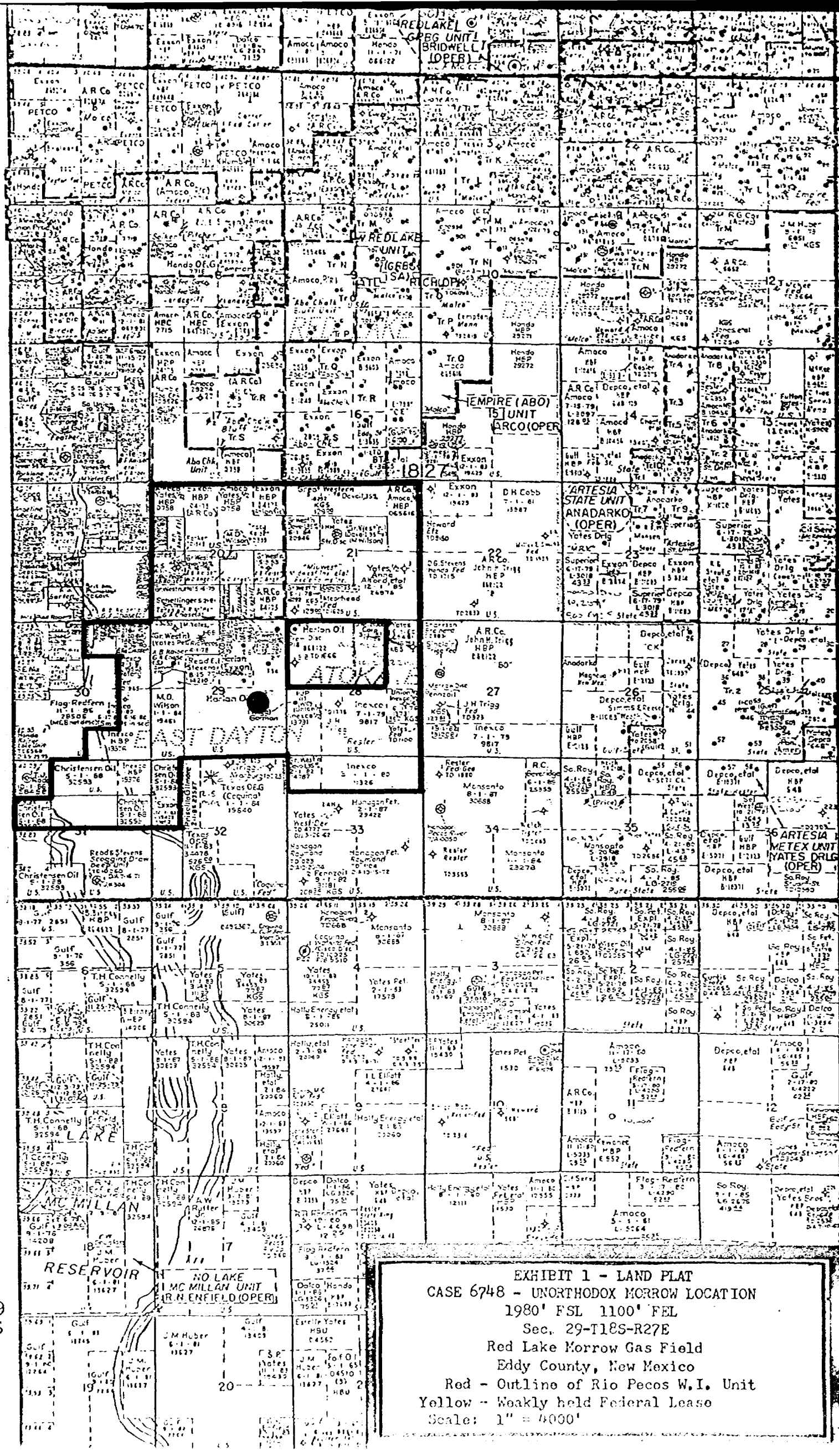
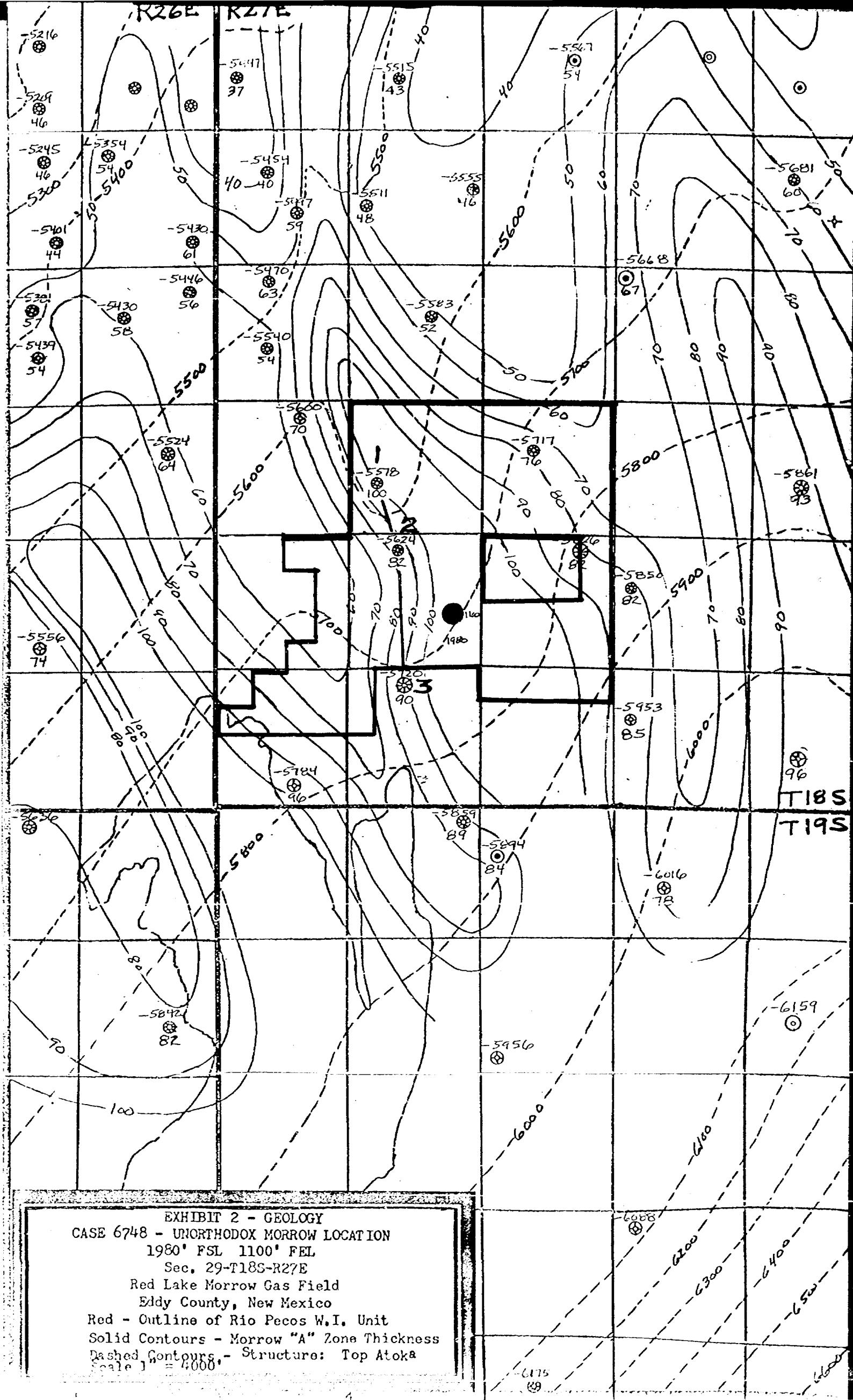
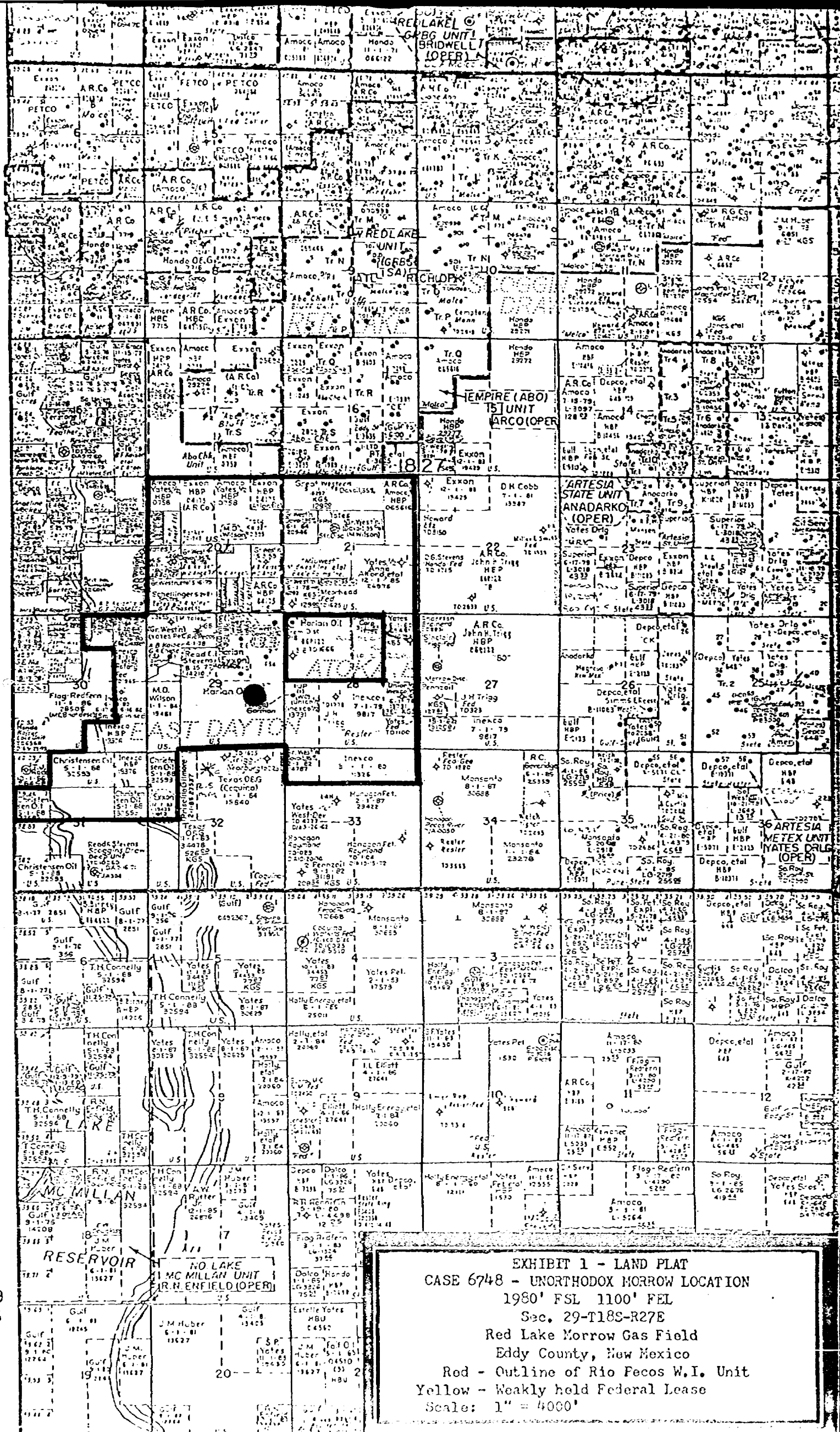
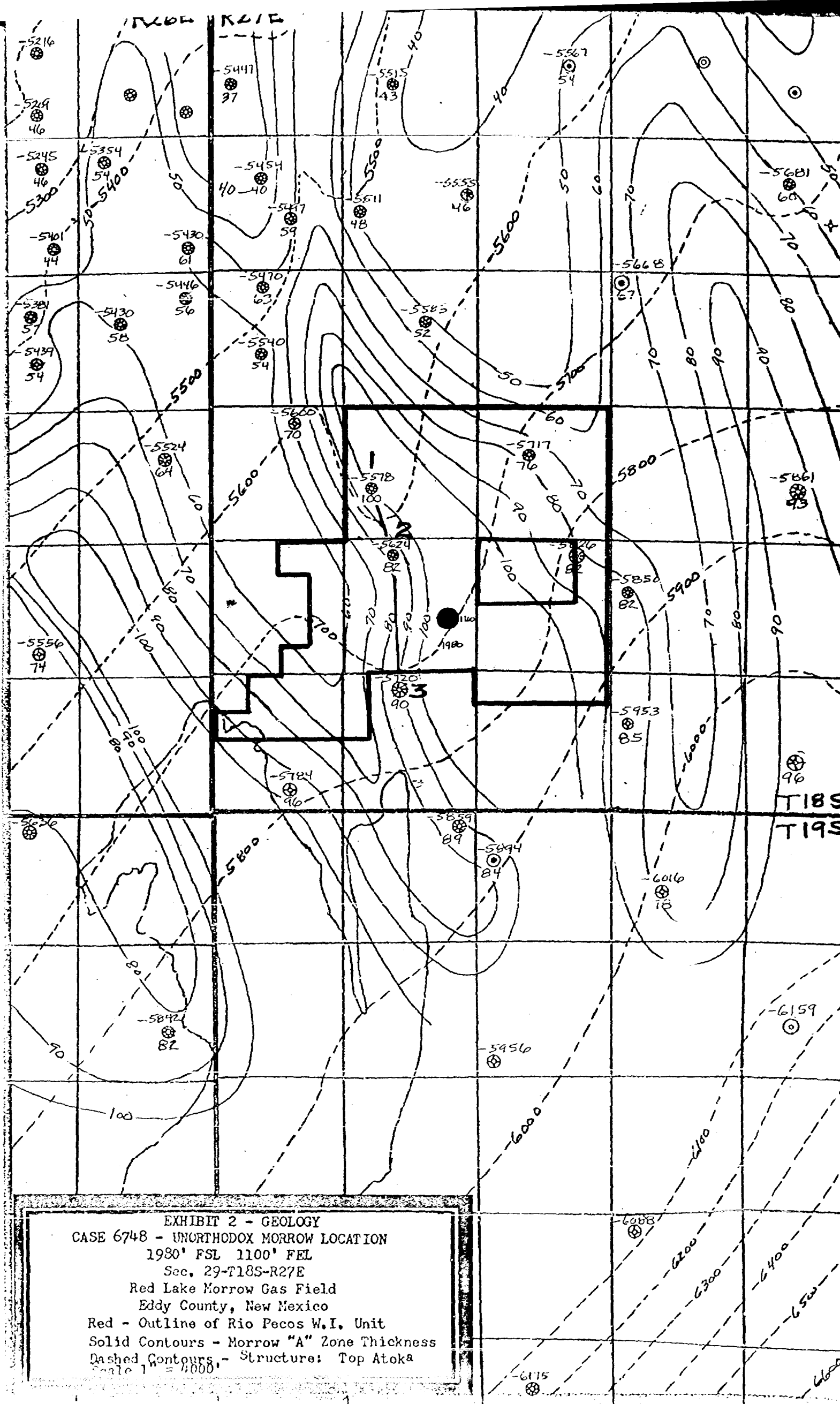


EXHIBIT 1 - LAND PLAT  
CASE 6748 - UNORTHODOX MORROW LOCATION  
1980' FSL 1100' FEL  
Sec. 29-T18S-R27E  
Red Lake Morrow Gas Field  
Eddy County, New Mexico  
Red - Outline of Rio Pecos W.I. Unit  
Yellow - Weakly held Federal Lease  
Scale: 1" = 4000'





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- CASE 6745: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6746: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 31, Township 18 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1100 feet from the West line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6747: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 23, Township 18 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location in the center of Unit P of said Section 23. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6748: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Pecos "MM" Fed. Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 1100 feet from the East line of Section 29, Township 18 South, Range 27 East, the S/2 of said Section 29 to be dedicated to the well.
- CASE 6749: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly, Blinbry, and Drinkard production in the wellbore of its Warlick Well No. 3 located in Unit P of Section 18, Township 21 South, Range 37 East.
- CASE 6750: Application of CO<sub>2</sub>-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO<sub>2</sub> Gas Pool comprising all or parts of Sections 1, 2, 3, 10, 11, and 12, Township 20 North, Range 30 East and Sections 20 thru 23 and 26 thru 35, Township 21 North, Range 30 East, and the promulgation of special rules therefor including a provision for 160-acre spacing units with the option to drill on 40 acres, and with well locations as close as 330 feet to the unit boundary.
- CASE 6725: (Continued from November 14, 1979, Examiner Hearing)  
Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Bakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6751: Application of Tenneco Oil Company for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the Catclaw Draw-Morrow Gas Pool to provide for 320-acre spacing rather than 640 acres. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.
- CASE 6357: (Reopened and Readvertised)  
In the matter of Case 6357 being reopened pursuant to the provisions of Order No. R-5853 which order established temporary special rules and regulations for the South Peterson-Pennsylvanian Pool, with provisions for 80-acre spacing. All interested parties may appear and show cause why the South Peterson-Pennsylvanian Pool should not be developed on 40-acre spacing units.



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE NO. 6748  
COUNTY, NEW MEXICO :  
:

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation  
underlying:

Township 18 South, Range 27 East, N.M.P.M.

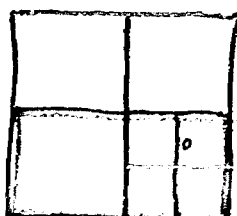
Section 29: S/2

and proposes to drill its Rio Pecos "MH" Fed. No. 1 Well at a  
point located 1,980 feet from the south line and 1,100 feet from  
the east line of Section 29.

2. The applicant seeks an exception to the well  
location requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Morrow formation.

3. A standard 320-acre gas proration unit comprising  
the S/2 of said Section 29 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable  
share of gas, 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 set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division may enter its order granting applicant permission to drill a well 1,980 feet from the south line and 1,100 feet from the east line of said Section 29 and to dedicate the S/2 of Section 29, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By

  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY :  
COUNTY, NEW MEXICO :

---

CASE NO. 6748

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation  
underlying:

Township 18 South, Range 27 East, N.H.P.M.

Section 29: S/2

and proposes to drill its Rio Pecos "KH" Fed. No. 1 Well at a  
point located 1,980 feet from the south line and 1,100 feet from  
the east line of Section 29.

2. The applicant seeks an exception to the well  
location requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Morrow formation.

3. A standard 320-acre gas proration unit comprising  
the S/2 of said Section 29 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable  
share of gas, 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 set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division may enter its order granting applicant permission to drill a well 1,980 feet from the south line and 1,100 feet from the east line of said Section 29 and to dedicate the S/2 of Section 29, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: \_\_\_\_\_  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 235  
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 6748

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation  
underlying:

Township 18 South, Range 27 East, N.M.P.M.

Section 29: S/2

and proposes to drill its Rio Pecos "MH" Fed. No. 1 Well at a  
point located 1,980 feet from the south line and 1,100 feet from  
the east line of Section 29.

2. The applicant seeks an exception to the well  
location requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Morrow formation.

3. A standard 320-acre gas proration unit comprising  
the S/2 of said Section 29 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable  
share of gas, 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 set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division may enter its order granting applicant permission to drill a well 1,980 feet from the south line and 1,100 feet from the east line of said Section 29 and to dedicate the S/2 of Section 29, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: \_\_\_\_\_  
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6748

ORDER NO. R- 6209

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28,  
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1979, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

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

(2) That the applicant, Yates Petroleum Corporation,  
for its Rio Pecos "MH" Fed. Well No. 1, a Morrow test to be drilled  
seeks approval of an unorthodox gas well location/ 1980

feet from the South line and 1100 feet from the

East line of Section 29, Township 18 South

Range 27 East, NMPM, to test the

formation, Pool, Eddy

County, New Mexico.

(3) That the S/2 of said Section 29 is to be  
dedicated to the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox  
location.

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Case No. \_\_\_\_\_  
Order No. R- \_\_\_\_\_

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow the Yates Petroleum Corporation Rio Pecos "MH" Fed. Well No. 1 formation is hereby approved for ~~a well~~ to be located at a point 1980 feet from the South line and 1100 feet from the East line of Section 29, Township 18 South, Range 27 East NMPM, Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 29 shall be dedicated to the above-described well.

(3) That 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.