

CASE 6776: HARVEY E. YATES COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO

CASE NO.

6776

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 STATE LAND OFFICE BLDG.
 SANTA FE, NEW MEXICO
 3 January 1980

EXAMINER HEARING

 IN THE MATTER OF:

Application of Harvey E. Yates Company) CASE
 for a unit agreement, Lea County, New) 6775
 Mexico.)

and)

Application of Harvey E. Yates Company) CASE
 for an unorthodox gas well location,) 6776
 Lea 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:

Robert E. Strand, Esq.
 Roswell, New Mexico

I N D E X

ANDREW LATTU

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MR. STAMETS: We'll call Case 6773.

MR. PADILLA: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.

MR. STRAND: Mr. Examiner, I'm Robert Strand, attorney for Harvey E. Yates Company.

I would request that we consider Cases 6775 and 76 together. The geological evidence will relate to both.

MR. STAMETS: We will consolidate these cases for purposes of testimony.

Would you please call Case 6776?

MR. PADILLA: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico.

MR. STAMETS: Any other appearances in these cases?

MR. STRAND: Mr. Examiner, I have one witness, Mr. Lattu.

(Witness sworn.)

ANDREW LATTU

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

DIRECT EXAMINATION

BY MR. STRAND:

Q State your name, please.

A Andrew Lattu.

Q Mr. Lattu, who are you employed by?

A I'm employed by Harvey E. Yates Company and work in Midland, Texas.

Q In what capacity are you employed?

A I'm a geologist.

Q Mr. Lattu, have you testified before the Commission on previous occasions?

A Yes, I have.

Q Are your qualifications a matter of record?

A Yes, they are.

MR. STRAND: Are Mr. Lattu's qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Lattu, would you state the purpose of the applications in Cases 6775 and 6776?

A The purpose of the application is to form a unit and drill a well to test several formations, including the Morrow, in Lea County, New Mexico, Township 13 South, Range 32 East, and the unit will consist of approxi-

mately 2242.45 acres.

Q Mr. Lattu, in Case Number 6775, are we then asking for an unorthodox location for the initial well to be drilled on that unit?

A Yes. Yes, we are.

Q What is the location of that proposed well?

A The location of that well will be in the northwest northwest of Section 10, Township 18 South, Range 32 East; specifically it will be 660 from the north and west lines of Section 10.

Q Mr. Lattu, with regard to the application for unit approval, would you state the exact lands which will be included within the unit?

A Okay, this consists of, in Lea County, New Mexico, Township 18 South, Range 32 East, Section 3, Lots 1, 2, 3, and 4; the south half of the north half and south half of Section 3; the south half of Section 4; and all of Section 9 and 10.

MR. STAMETS: It's everything on Exhibit One except the north half of Section 4?

A Pardon me?

MR. STAMETS: The unit consists of everything on Exhibit One except the north half of Section

A Yes, that's correct.

Q Mr. Lattu, what depth limitations are applicable to the proposed unitized area?

A The unitized area consists of between the top of the San Andres formation, which at the drillsite is anticipated at approximately 5000 feet from the surface, to 100 -- the stratigraphic equivalent of 100 feet below the deepest depth reached by the first well.

MR. STRAND: Mr. Examiner, I might state for the record that the application was filed on the basis of depth limitation from 5000 feet to all depths, and I would ask that the application be amended to conform with the depth limitations as stated by Mr. Lattu.

MR. STAMETS: Okay, would you run those past me again, please?

A That would be from the top of the San Andres formation to a stratigraphic equivalent of 100 feet below the TD of the first well.

Q What do you anticipate the total depth for that initial well will be?

A It would be 12,900 feet.

MR. STAMETS: That is contained in the language of the unit agreement, is it not?

MR. STRAND: Yes, it is. Mr. Examiner, we have attached as Exhibit A, I believe, to the application,

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a copy of the unit agreement, and the change in depth limitations are requested partially by the USGS and some of the participants in the unit, and it will be amended accordingly.

MR. STAMETS: Okay, that, the depth, is not advertised, so I really don't see that that's an amendment to your application, at least it's no problem.

MR. STRAND: Fine.

MR. STAMETS: As far as we're concerned.

Q Mr. Lattu, what is the mineral ownership status of the lands included in the unit?

A It is all Federal acreage.

Q Referring to Exhibit Number One, would you please describe that?

A Exhibit Number One is a land plat showing the proposed unit area, township and range indicated. Sections and unit outline is also indicated on this.

Q Is that also Exhibit A to the proposed unit agreement?

A Yes, it is.

Q Directing your attention to Exhibit Number One-A, would you please describe that?

A Exhibit Number One-A is a summary of the ownership of the proposed unit.

Q And that is also Exhibit B to the unit agreement, is that correct?

A Yes, it is.

Q Mr. Lattu, have all of the working interest owners under the proposed unit agreed to join the unit?

A Yes, they've all given a verbal agreement, subject to approval of an AFE, unitization agreement for them.

Q Their verbal agreement is also subject to approval of an operating agreement?

A Yes, that was what it was, the word I was looking for.

Q Mr. Lattu, referring to Exhibit Number Two, would you please describe that?

A Exhibit Number Two is a geologic structure map, contoured on the top of the Strawn. The unit outline is outlined in red. The proposed location is a red circle in the northwest corner of Section 10. Now, this shows a major fault in the Pennsylvanian with the up to the west, down to the east, which is the eastern boundary of the proposed unit. It also shows the outline of cross section A-A'.

The proposed location is not right on the crest of this feature. The Strawn in this area is a secondary objective of this prospect. The proposed location is based on the best location for our primary objective, which

I'll get to in a later exhibit.

Q Referring to Exhibit Number Three, Mr. Lattu, is that the cross section you referred to?

A Yes. Exhibit Number Three is a cross section A-A' indicated on Exhibit Number Two.

Q Mr. Lattu, do you want to proceed with your explanation of the cross section?

A If you look on Exhibit Two you can see the outline of this cross section. There isn't a lot of deep control right in the area of the proposed unit, so this cross section crosses this large fault here two times. This is the same fault. This is the well, the closest well to our proposed unit is on the up side of the fault, and as you look to the east and to the west you do cross the fault.

Now, the closest well which contains our primary objective, which is a bank of the scarp type deposit between the second and the third Bone Spring Sand, is the Sinclair well in Section 2. This well at depth is on the down side of this fault; however, by the time you come up to the top of the Wolfcamp and the Bone Springs Sands, this cross section is hung on a datum at the top of the Wolfcamp, or the base of the third Bone Springs Sand, which I pick as the top of the Wolfcamp in this area.

This well penetrated approximately 90 feet of crinoidal bank, which by log calculations is 47

percent water saturation. In other words, it would be wet and would not be -- and it had no shows in the samples.

The Trigg Federal, which is a well in Section 15 on the up side of the fault, did have a little bit of this crinoid bank, although, as can be seen on this log, the gamma ray is not as cleanly developed. The zone is present but there is no bank core found in that well.

Our proposed location is to -- I feel that when I get to the other map which is contoured on the shallow, that this bank more or less parallels the shelved basin, a facies change in this area, and that this bank will be developed in an east/west location.

I feel that the Sinclair well being on the down side of a fault at depth will also have a little drape over. In other words, it will be low to our proposed location, and the best location to test this bank is the northwest northwest of Section 19.

In addition to this, we also want to look at the Strawn zone which has had several good shows in the area and some production from the Strawn carbonate, and the Morrow Sands, which the only well nearby that penetrated it is down in Section 24.

Q Mr. Lattu, referring to Exhibit Number Four, would you please describe that exhibit?

A Well, Exhibit Number Four is a structure

map contoured on the top of the Queen formation. There is Queen production both to the northwest and the southwest of our proposed unit. The Queen formation, then, is the well or the deepest formation penetrated by the majority of the wells right in the immediate area.

Contouring on the top of the Queen, it shows a fairly prominent east/west, or slightly northeast/southwest trend in this area, a steep dip as you approach the shelf at the north end of the unit, and a considerable nosing or pullout, and I've contoured in a reversal through the unit. I feel this is a shallow structure reflecting the development of the crinoidal bank at depth.

Q Mr. Lattu, with regard to the unit agreement, has an application been filed with the USGS for designation of this unit?

A Yes, it has.

Q Have they given their approval at this time?

A They've given verbal approval, yes.

Q Mr. Lattu, is it your opinion that the proposed unit area, as outlined in red on your Exhibits, covers all, or substantially all, of the geological feature you've described?

A Yes, it does. As I said on the cross section, the primary objective here is this crinoidal bank

developed between the second and third Bone Springs. The secondary objectives consist of the Morrow and the Strawn formations.

Q Is it further your opinion that development under the terms of the unit agreement will promote the efficient development, promote conservation and prevent waste?

A Yes, it will.

Q Mr. Lattu, with regard to the application for unorthodox location, is it your feeling that this is the most efficient location from a risk standpoint for this particular well?

A Yes, it is.

Q Is it your opinion that the granting of the application for unorthodox location will avoid the increase in risk and cost associated with drilling an excessive number of wells and also promote conservation and prevent waste?

A Yes, it will.

MR. STRAND: I believe that's all I have, Mr. Examiner.

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

Anything further in this case?

The case will be taken under advisement.

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



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

January 18, 1980

Mr. Robert H. Strand, Attorney Re:
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

CASE NO. 6776
ORDER NO. R-6247

Applicant:

Harvey E. Yates Company

Dear Sir:

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 _____ x
 Artesia OCD _____ x
 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. 6776
Order No. R-6247

APPLICATION OF HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of January, 1980, 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, Harvey E. Yates Company, seeks
approval of an unorthodox gas well location for its Young Deep
Unit Well No. 1, to be drilled 660 feet from the North line
and 660 feet from the West line of Section 10, Township 18
South, Range 32 East, NMPM, to test the Pennsylvanian formation,
Lea County, New Mexico.

(3) That the W/2 of said Section 10 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 un-
orthodox location.

(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.

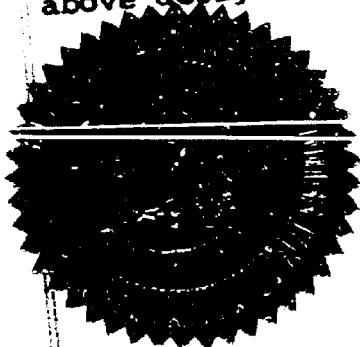
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Harvey E. Yates Company Young Deep Unit Well No. 1 to be drilled at a point 660 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the W/2 of said Section 10 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.



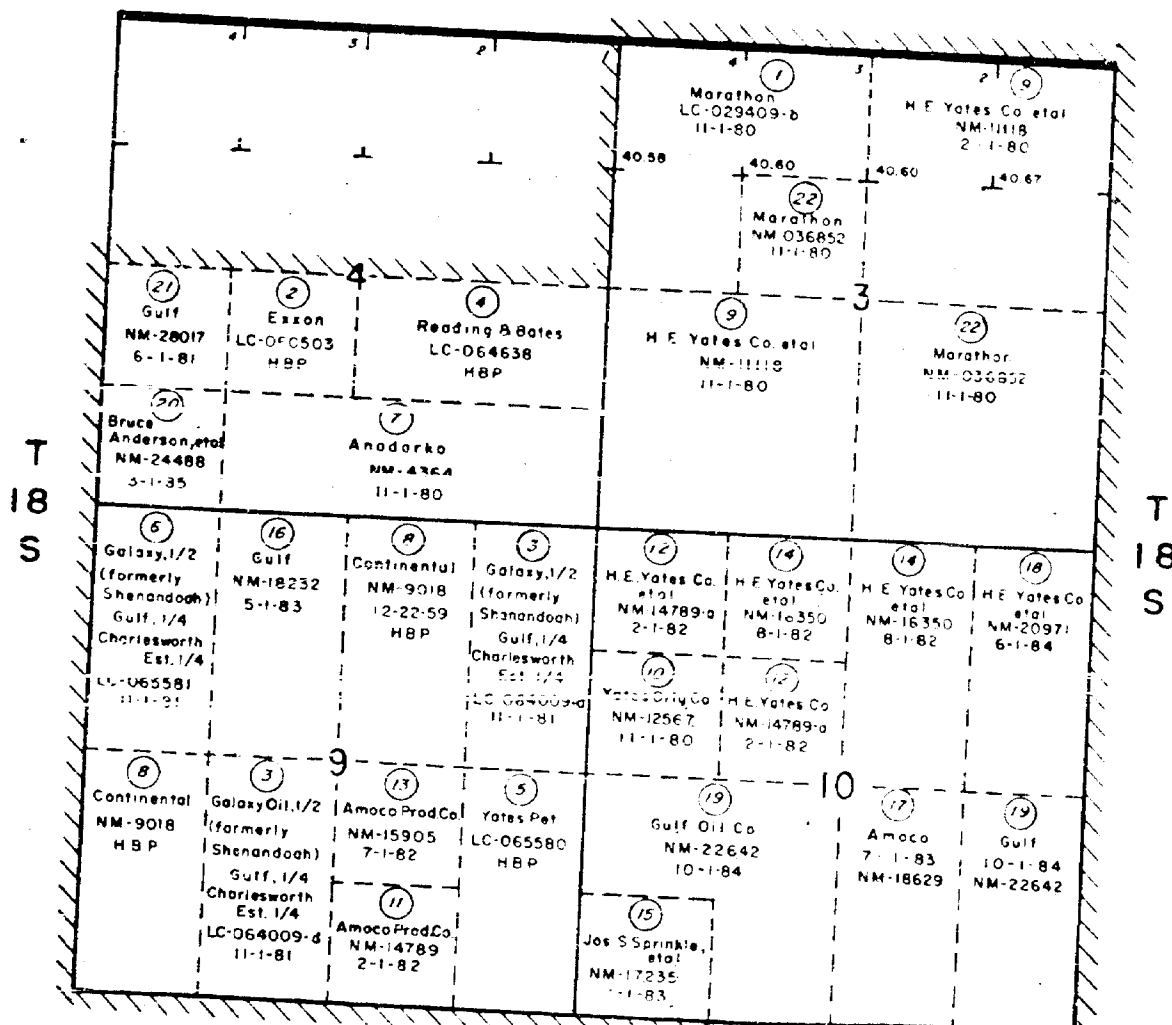
S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

R - 32 - E



T
18
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T
18
S

R - 32 - E

- Unit Outline
- Tract Number
- Federal Lands
2,242.45 ac., 100% of Unit Area
- Scale: 1" = 2000'

BEFORE EXAMINER *Stamets*
OIL CONSERVATION DIVISION
COUNTY *1*
CISENO *6775 & 6776*
SUBMITTED BY *Applicant*
HEARING DATE *1/3/80*

EXHIBIT "A"

YOUNG DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

EXHIBIT "B" YOUNG DEEP UNIT AREA, LLA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

DEFORE EXAMINER Shaw
OIL CONSERVATION DIVISION
EXHIBIT NO. _____
CASE NO. 6775 & 67
SUBMITTED BY Applied
HEARING DATE 1/3/80

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING OWN
1	Sec. 3: Lots 3, 4, SW/4 NW/4	121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Marathon O
2	Sec. 4: NE/4 SW/4	40.00	LC-060503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Exxon Comp
3	Sec. 9: E/2 NE/4 & E/2 SW/4	160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Galaxy Oil Gulf Oil C Charleswor
4	Sec. 4: N/2 SE/4	80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Reading &
5	Sec. 9: E/2 SE/4	80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yates Petr
6	Sec. 9: W/2 NW/4	80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Galaxy Oil Gulf Oil C Charleswor
7	Sec. 4: S/2 SE/4, SE/4 SW/4	120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Anadarko P
8	Sec. 9: W/2 NE/4 & W/2 SW/4	160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Continental

EXHIBIT "B" YOUNG DEEP UNIT AREA, LLA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

DEFORE EXAMINER	<u>Stannett</u>
OIL CONSERVATION DIVISION	
UNIT NO.	<u>1A</u>
WELL NO.	<u>6775 & 6776</u>
SUBMITTED BY	<u>Applicant</u>
HEARING DATE	<u>1/3/80</u>

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Marathon Oil Company
40.00	LC-060503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Exxon Company, U.S.A.
160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Reading & Bates
80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yates Petroleum Corporation
80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Anadarko Production Company
160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Continental Oil Company

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	
9	Sec. 3: Lots 1, 2, S/2 NE/4 & SW/4	321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harv
10	Sec. 10: SW/4 NW/4	40.00	NM-12567 11-1-80	12.5 U.S.A.	Yates Drilling Company	5.0	Yate
11	Sec. 9: SW/4 SE/4	40.00	NM-14789 2-1-82	12.5 U.S.A.	Amoco Production Company	4.0	Amoc
12	Sec. 10: NW/4 NW/4 & SE/4 NW/4	80.00	NM-14789-A 2-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	14.25	Harv
13	Sec. 9: NW/4 SE/4	40.00	NM-15905 7-1-82	12.5 U.S.A.	Amoco Production Company	5.0 (3)	Amoco
14	Sec. 10: W/2 NE/4 & NE/4 NW/4	120.00	NM-16350 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harve
15	Sec. 10: SW/4 SW/4	40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Josep
16	Sec. 9: E/2 NW/4	80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
40.00	NM-12567 11-1-80	12.5 U.S.A.	Yates Drilling Company	5.0	Yates Drilling Company
40.00	NM-14789 2-1-82	12.5 U.S.A.	Amoco Production Company	4.0	Amoco Production Company
80.00	NM-14789-A 2-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	14.25	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
40.00	NM-15905 7-1-82	12.5 U.S.A.	Amoco Production Company	5.0 (3)	Amoco Production Company
120.00	NM 16390 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%
80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING OWN
17	Sec. 10: W/2 SE/4	80.00	NM-18629 7-1-83	12.5 U.S.A.	Amoco Production Company	2.5	Amoco Pro
18	Sec. 10: E/2 NE/4	80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	85.0289% 14.9711% (4)	Harvey E Coronado
19	Sec. 10: N/2 SW/4, SE/4 SW/4, E/2 SE/4	200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil
20	Sec. 4: SW/4 SW/4	40.00	NM-24488 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50% -0-	Bruce An Richard
21	Sec. 4: NW/4 SW/4	40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf Oil
22	Sec. 3: SE/4 NW/4 & SE/4	200.00	NM 036852 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marathon

22 Federal Tracts 2242.45 acres being 100% of unit area

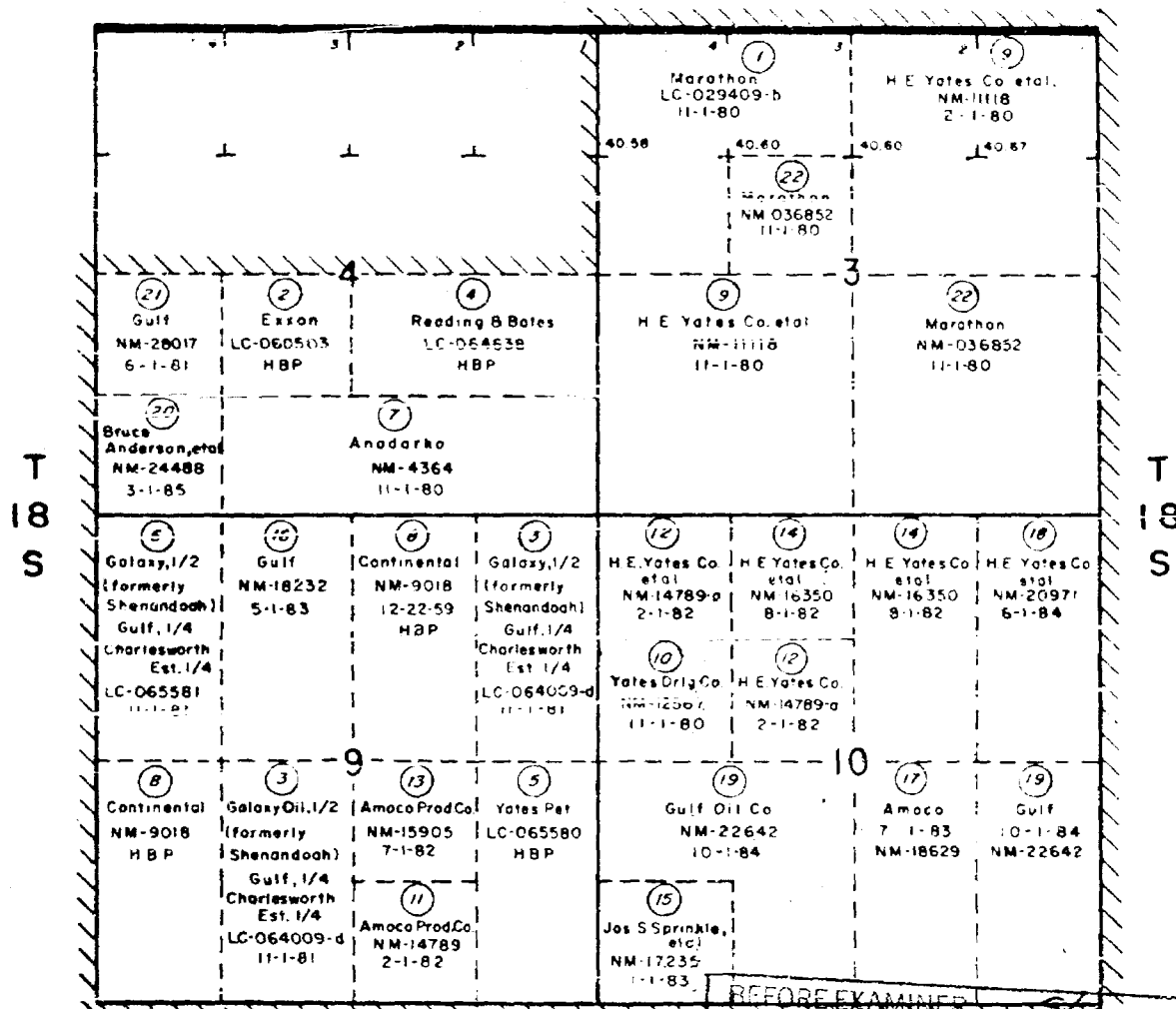
- (1) Production Payment of \$10,000.00 out of 1/16 of 8/8
- *1-A Formerly Owned by Shenandoah
- (2) Production Payment of \$2,000.00 out of 1/16 of 8/8
- *2-A Formerly Owned by Shenandoah
- (3) Production Payment of \$225.00 per acre out of 1 1/4% of 8/8
- (4) Production Payment of \$200.00 out of 1.25% of 8/8

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
80.00	NM-18629 7-1-83	12.5 U.S.A.	Amoco Production Company	2.5	Amoco Production Company
80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	6.0 85.0289% (4) 14.9711%	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
SW/4, 200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation
40.00	NM-24488 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50%	Bruce Anderson 50% Richard L. Peterson 50%
40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf Oil Corporation
200.00	NM-036852 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marathon Oil Company

s being 100% of unit area

10,000.00 out of 1/16 of 8/8
adoah
2,000.00 out of 1/16 of 8/8
adoah
25.00 per acre out of 1 1/4% of 8/8
00.00 out of 1.25% of 8/8

R - 32 - E



R - 32 - E

Unit Outline
 (9) Tract Number
 Federal Lands
 2,242.45 ac., 100% of Unit Area
 Scale: 1" = 2000'

BEFORE EXAMINER *Stewart*
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 1
 CASE NO. 6775 & 6776
 SUBMITTED BY Applicant
 HEARING DATE 1/3/80

EXHIBIT "A"

YOUNG DEEP UNIT AREA
 LEA COUNTY, NEW MEXICO

EXHIBIT "B" YOUNG DEEP UNIT AREA, LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

BEFORE EXAMINER Sho
OIL CONSERVATION DIVISION
EXHIBIT NO. _____
CASE NO. 6775 & 67
SUBMITTED BY Apple
HEARING DATE 1/2/81

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST
1	Sec. 3: Lots 3, 4, SW/4 NW/4	121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Marathon
2	Sec. 4: NE/4 SW/4	40.00	LC 000503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Exxon Co
3	Sec. 9: E/2 NE/4 & E/2 SW/4	160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Galaxy Oil Gulf Oil Charlesworth
4	Sec. 4: N/2 SE/4	80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Reading
5	Sec. 9: E/2 SE/4	80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yates Pe
6	Sec. 9: W/2 NW/4	80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Galaxy Oil Gulf Oil Charlesworth
7	Sec. 4: S/2 SE/4, SE/4 SW/4	120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Anadarko
8	Sec. 9: W/2 NE/4 & W/2 SW/4	160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Continental

EXHIBIT "B" YOUNG DEEP UNIT AREA, LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

BEFORE EXAMINER	Stametz
ON CONSERVATION SECTION	
EXHIBIT NO.	LA
CASE NO.	6775 & 6776
SUBMITTED BY	Applicant
HEARING DATE	1/3/80

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Marathon Oil Company
40.00	LC-060503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Exxon Company, U.S.A.
160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Reading & Bates
80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yates Petroleum Corporation
80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Anadarko Production Company
160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Continental Oil Company

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORK
9	Sec. 3: Lots 1, 2, S/2 NE/4 & SW/4	321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harvey Coron
10	Sec. 10: SW/4 NW/4	40.00	NM-12567 11-1-80	12.5 U.S.A.	Yates Drilling Company	5.0	Yates
11	Sec. 9: SW/4 SE/4	40.00	NM-14789 2-1-82	12.5 U.S.A.	Amoco Production Company	4.0	Amoco
12	Sec. 10: NW/4 NW/4 & SE/4 NW/4	80.00	NM-14789-A 2-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	14.25	Harvey Coron
13	Sec. 9: NW/4 SE/4	40.00	NM-15905 7-1-82	12.5 U.S.A.	Amoco Production Company	5.0 (3)	Amoco
14	Sec. 10: W/2 NE/4 & NE/4 NW/4	120.00	NM-16350 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harvey Coron
15	Sec. 10: SW/4 SW/4	40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Josep F. L. James
16	Sec. 9: E/2 NW/4	80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf

	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
SW/4	321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
	40.00	NM 12567 11-1-80	12.5 U.S.A.	Yates Drilling Company	5.0	Yates Drilling Company
	40.00	NM-14789 2-1-82	12.5 U.S.A.	Amoco Production Company	4.0	Amoco Production Company
	80.00	NM-14789-A 2-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	14.25	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
	40.00	NM-15905 7-1-82	12.5 U.S.A.	Amoco Production Company	5.0 (3)	Amoco Production Company
	120.00	NM-16350 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
	40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%
	80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORK
17	Sec. 10: W/2 SE/4	80.00	NM-18629 7-1-83	12.5 U.S.A.	Amoco Production Company	2.5	Amoco
18	Sec. 10: E/2 NE/4	80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	85.0289% 14.9711% (4)	Harvey Corona
19	Sec. 10: N/2 SW/4, SE/4 SW/4, E/2 SE/4	200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf
20	Sec. 4: SW/4 SW/4	40.00	NM-24438 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50% -0-	Bruce Richa
21	Sec. 4: NW/4 SW/4	40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf
22	Sec. 3: SE/4 NW/4 & SE/4	200.00	NM 036952 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marath

22 Federal Tracts 2242.45 acres being 100% of unit area

- (1) Production Payment of \$10,000.00 out of 1/16 of 8/8
- *1-A Formerly Owned by Shenandoah
- (2) Production Payment of \$2,000.00 out of 1/16 of 8/8
- *2-A Formerly Owned by Shenandoah
- (3) Production Payment of \$225.00 per acre out of 1 1/4% of 8/8
- (4) Production Payment of \$200.00 out of 1.25% of 8/8

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
80.00	NM-18629 7-1-83	12.5 U.S.A.	Amoco Production Company	2.5	Amoco Production Company
80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	6.0 (4) 85.0289% 14.9711%	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
SE/4 SW/4, 200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation
40.00	NM-24488 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50%	Bruce Anderson 50% Richard L. Peterson 50%
40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf Oil Corporation
& 200.00	NM-036852 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marathon Oil Company

acres being 100% of unit area

\$ \$10,000.00 out of 1/16 of 8/8

enandoah

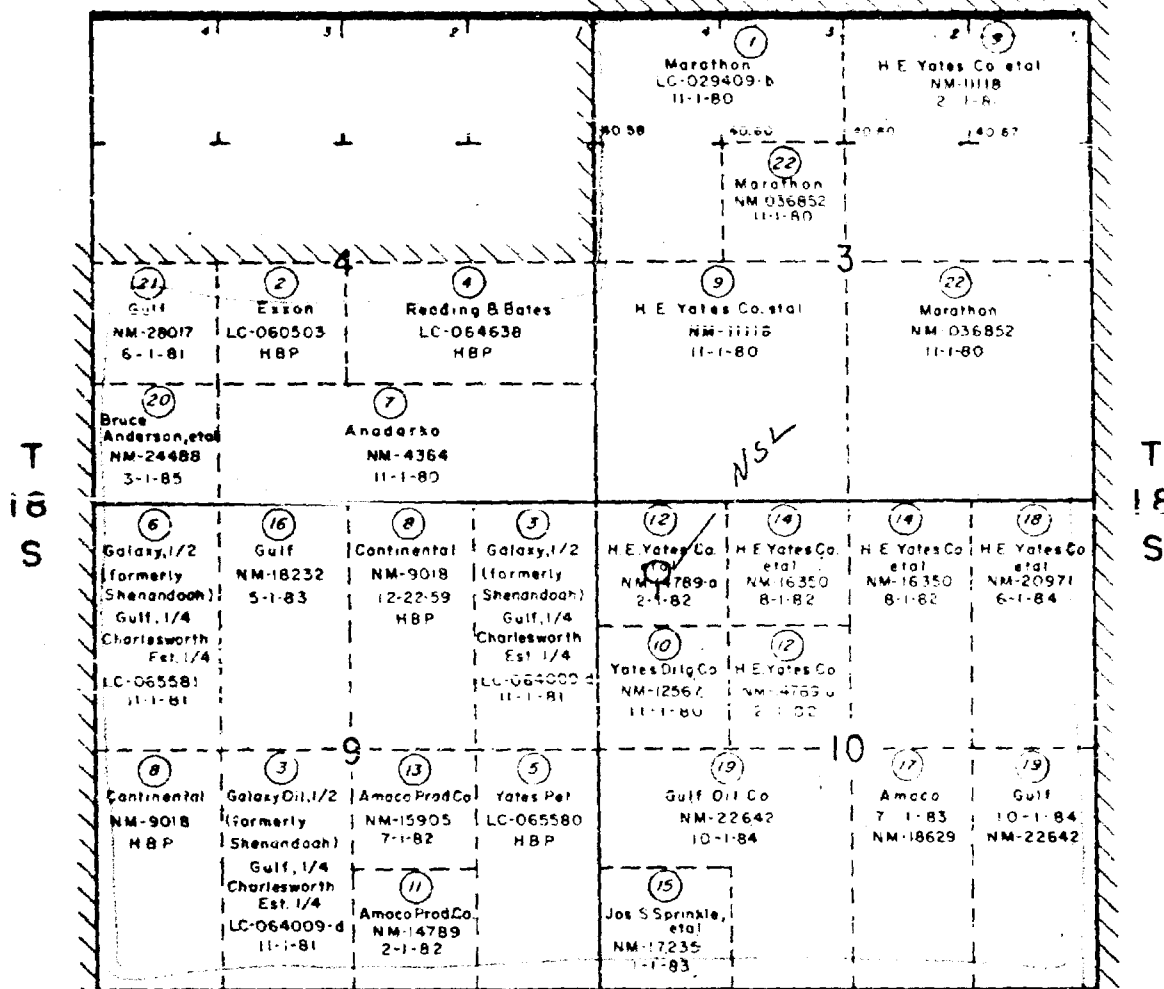
\$ \$2,000.00 out of 1/16 of 8/8

enandoah

\$ \$225.00 per acre out of 1 1/4% of 8/8

\$ \$200.00 out of 1.25% of 8/8

R - 32 - E



R - 32 - E

Unit Outline
 ① Tract Number
 Federal Lands
 2,242.45 ac., 100% of Unit Area
 Scale: 1" = 2000'

BEFORE EXAMINER Stamets
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 1
 CASE NO. 6775 & 6776
 SUBMITTED BY Applicant
 HEARING DATE 1/3/80
 EXHIBIT A

YOUNG DEEP UNIT AREA
 LEA COUNTY, NEW MEXICO

EXHIBIT "B" YOUNG DEEP UNIT AREA, LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

BEFORE EXAMINER
OIL CONSERVATION
CASE NO. 67
SUBMITTED BY
HEARING DATE

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	
1	Sec. 3: Lots 3, 4, SW/4 NW/4	121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Mar
2	Sec. 4: NE/4 SW/4	40.00	LC 060503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Ex
3	Sec. 9: E/2 NE/4 & E/2 SW/4	160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Gal Gul Cha
4	Sec. 4: N/2 SE/4	80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Rea
5	Sec. 9: E/2 SE/4	80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yat
6	Sec. 9: W/2 NW/4	80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Gal Gul Cha
7	Sec. 4: S/2 SE/4, SE/4 SW/4	120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Ana
8	Sec. 9: W/2 NE/4 & W/2 SW/4	160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Con

EXHIBIT "B" YOUNG DEEP UNIT AREA, LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
(WORKING INTEREST OWNERSHIP BELOW 5000 FEET EXCEPT AS OTHERWISE NOTED)

BEFORE EXAMINER	<u>Stamets</u>
OIL CONSERVATION DIVISION	
EXHIBIT NO.	<u>1A</u>
CASE NO.	<u>6775 & 6776</u>
SUBMITTED BY	<u>Applicant</u>
HEARING DATE	<u>1/3/80</u>

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
121.18	LC-029409-b 11-1-80	12.5 U.S.A.	Marathon Oil Company	5.0	Marathon Oil Company
40.00	LC-060503 HBP	12.5 U.S.A.	Reading & Bates	5.0	Exxon Company, U.S.A.
160.00	LC-064009-d 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*1-A (1)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
80.00	LC-064638 HBP	12.5 U.S.A.	Reading & Bates	2.5	Reading & Bates
80.00	LC-065580 HBP	12.5 U.S.A.	Yates Petroleum Corporation	2.0	Yates Petroleum Corporation
80.00	LC-065581 11-1-81	12.5 U.S.A.	*Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%	*2-A (2)	Galaxy Oil Company 50% Gulf Oil Corporation 25% Charlesworth Estate 25%
120.00	NM-4364 11-1-80	12.5 U.S.A.	Anadarko Production Company	1.0	Anadarko Production Company
160.00	NM-9018 HBP	12.5 U.S.A.	Continental Oil Company	3.0	Continental Oil Company

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING OIL
9	Sec. 3: Lots 1, 2, S/2 NE/4 & SW/4	321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harvey E. Yates Company Coronado Exploration Corp.
10	Sec. 10: SW/4 NW/4	40.00	NM-12567 11-1-80	12.5 U.S.A.	Yates Drilling Company	5.0	Yates Drilling Company
11	Sec. 9: SW/4 SE/4	40.00	NM-14789 2-1-82	12.5 U.S.A.	Amoco Production Company	4.0	Amoco Production Company
12	Sec. 10: NW/4 NW/4 & SE/4 NW/4	80.00	NM-14789-A 2-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	14.25	Harvey E. Yates Company Coronado Exploration Corp.
13	Sec. 9: NW/4 SE/4	40.00	NM-15905 7-1-82	12.5 U.S.A.	Amoco Production Company	5.0 (3)	Amoco Production Company
14	Sec. 10: S/2 NE/4 & NE/4 NW/4	120.00	NM-16350 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harvey E. Yates Company Coronado Exploration Corp.
15	Sec. 10: SW/4 SW/4	40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Joseph S. Sprinkle F. L. Shogrin James L. Hardin
16	Sec. 9: E/2 NW/4	80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation

	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
2, & SW/4	321.27	NM-11118 2-1-80	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	6.0	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
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&	120.00	NM-16350 8-1-82	12.5 U.S.A.	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%	7.25	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
	40.00	NM-17235 1-1-83	12.5 U.S.A.	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%	0.5	Joseph S. Sprinkle 25% F. L. Shogrin 31.25% James L. Hardin 37.50%
	80.00	NM-18232 5-1-83	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER-SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORK
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18	Sec. 10: E/2 NE/4	80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	6.0 (4) 85.0289% 14.9711%	Harvey Corona
19	Sec. 10: N/2 SW/4, SE/4 SW/4, E/2 SE/4	200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf O
20	Sec. 4: SW/4 SW/4	40.00	NM-24486 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50%	Bruce Richard
21	Sec. 4: NW/4 SW/4	40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf O
22	Sec. 3: SE/4 NW/4 & SE/4	200.00	NM-036852 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marath

22 Federal Tracts 2242.45 acres being 100% of unit area

- (1) Production Payment of \$10,000.00 out of 1/16 of 8/8
- *1-A Formerly Owned by Shenandoah
- (2) Production Payment of \$2,000.00 out of 1/16 of 8/8
- *2-A Formerly Owned by Shenandoah
- (3) Production Payment of \$225.00 per acre out of 1 1/4% of 8/8
- (4) Production Payment of \$200.00 out of 1.25% of 8/8

NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY OWNER- SHIP (%)	LESSEE OF RECORD	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST OWNERSHIP
80.00	NM-18629 7-1-83	12.5 U.S.A.	Amoco Production Company	2.5	Amoco Production Company
80.00	NM-20971 6-1-84	12.5 U.S.A.	Harvey E. Yates Company Coronado Exploration Corp.	85.0289% (4) 14.9711%	Harvey E. Yates Company 85.0289% Coronado Exploration Corp. 14.9711%
200.00	NM-22642 10-1-84	12.5 U.S.A.	Gulf Oil Corporation	5.0	Gulf Oil Corporation
40.00	NM-24488 3-1-85	12.5 U.S.A.	Bruce Anderson Richard L. Peterson	50% 50% -0-	Bruce Anderson 50% Richard L. Peterson 50%
40.00	NM-28017 6-1-81	12.5 U.S.A.	Gulf Oil Corporation	-0-	Gulf Oil Corporation
200.00	NM-036852 11-1-80	12.5 U.S.A.	Marathon Oil Company	3.0	Marathon Oil Company

8 100% of unit area

0.00 out of 1/16 of 8/8

0.00 out of 1/16 of 8/8

0 per acre out of 1 1/4% of 8/8

0 out of 1.25% of 8/8

CASE 6767: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6487: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

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 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Serpentine Bands Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: 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 a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1973 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, 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 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 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 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6768: (Continued and Readvertised)
- Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6782: Application of Inexco Oil Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit II of Section 7, Township 19 South, Range 33 East.

CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marisque State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 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.

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

December 3, 1979

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6776

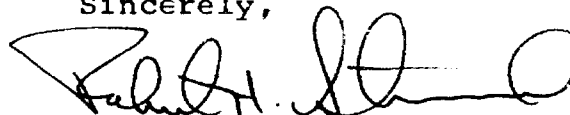
Attention: Mr. Joe Ramey

Re: Application for
Unorthodox Location
Section 10,
T-18S, R-32E
Lea County, New Mexico

Gentlemen:

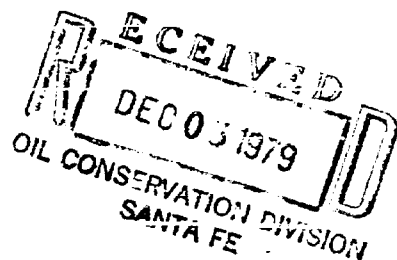
Enclosed for filing is an original and two copies of an Application for Unorthodox Location. Please set this matter for examiner hearing on January 3, 1980 and provide us with a Docket of the same. Thank you.

Sincerely,


Robert H. Strand

RHS/lh
A #10

Enclosures



BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
LEA COUNTY, NEW MEXICO :

Case 6776

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Proposed North
Young Deep Unit which includes the Morrow formation underlying:

Township 18 South, Range 32 East, N.M.P.M.

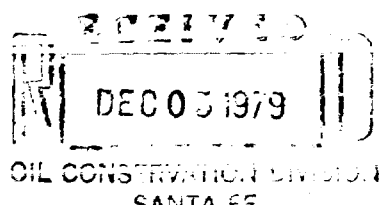
Section 10: W/2

2. Applicant proposes to drill its ~~North~~ Young
Deep Unit #1 Well at a location 660 feet from the North line
and 660 feet from the West line of said Section 10 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit com-
prising the W/2 of said Section 10 should be dedicated to
such well.

5. 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 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 enter its order granting applicant permission to drill said well at a location 660 feet from the North line and 660 feet from the West line of said Section 10 and to dedicate the W/2 of Section 10 to said well.

c. For such further relief as the Division deems just and proper.

HARVEY E. YATES COMPANY

By: 

Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
LEA COUNTY, NEW MEXICO :

Case 6776

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Proposed ~~North~~
Young Deep Unit which includes the Morrow formation underlying:

Township 18 South, Range 32 East, N.M.P.M.

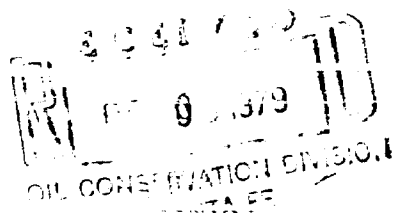
Section 10: W/2

2. Applicant proposes to drill its North Young
Deep Unit #1 Well at a location 660 feet from the North line
and 660 feet from the West line of said Section 10 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit com-
prising the W/2 of said Section 10 should be dedicated to
such well.

5. 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 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 enter its order granting applicant permission to drill said well at a location 660 feet from the North line and 660 feet from the West line of said Section 10 and to dedicate the W/2 of Section 10 to said well.

c. For such further relief as the Division deems just and proper.

HARVEY E. YATES COMPANY

By: 

Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
LEA COUNTY, NEW MEXICO :

Case 6776

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Proposed ~~North~~
Young Deep Unit which includes the Morrow formation underlying:
Township 18 South, Range 32 East, N.M.P.M.

Section 10: W/2

2. Applicant proposes to drill its North Young
Deep Unit #1 Well at a location 660 feet from the North line
and 660 feet from the West line of said Section 10 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit com-
prising the W/2 of said Section 10 should be dedicated to
such well.

5. 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 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.

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DEC 03 1970

WHEREFORE, applicant prays:

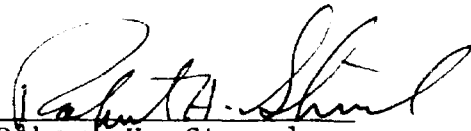
A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 660 feet from the North line and 660 feet from the West line of said Section 10 and to dedicate the W/2 of Section 10 to said well.

c. For such further relief as the Division deems just and proper.

HARVEY E. YATES COMPANY

By:


Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

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. 6776

ORDER NO. R- 6247

APPLICATION OF HARVEY E. YATES COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of January, 19 80, 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, Harvey E. Yates Company,
for its Young Deep Unit Well No. 1, a ~~Morrow test~~ to be drilled
seeks approval of an unorthodox gas well location/ 660

feet from the North line and 660 feet from the

West line of Section 10, Township 18 South

Range 32 East, NMPM, to test the Permian ~~Morrow~~ Pennsylvanian
formation, Lea

County, New Mexico.

(3) That the W/2 of said Section 10 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. _____

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 ~~Marathon~~ *Pennsylvanian* the Harvey E. Yates Company Young Deep Unit Well No. 1 formation is hereby approved for ~~axwell~~ to be *drilled* at a point 660 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 32 East NMPM, Reed, Lea County, New Mexico.

(2) That the W/2 of said Section 10 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.