

CASE NO.

6781

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 Yates Petroleum) CASE
 Corporation for an unorthodox) 6781
 gas well 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

I N D E X

RAY BECK

Direct Examination by Mr. Dickerson	3
Cross Examination by Mr. Stamets	7

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Isolith	5
Applicant Exhibit Three, Cross Section	6

MR. STAMETS: We'll call next Case 6781.

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

MR. DICKERSON: Chad Dickerson, Losee, Carson, and Dickerson, P. A., Artesia, appearing for the applicant.

We have one witness.

(Witness sworn.)

RAY BECK

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name, where you reside, and by whom you're employed, please?

A Ray Beck. Artesia, New Mexico.
Yates Petroleum.

Q And, Mr. Beck, you have previously testified as an expert before this Division and had your credentials made a matter of record, have you not?

A Yes, sir.

Q You are familiar with the application of Yates Petroleum Corporation in these proceedings and the lands involved?

A Yes.

MR. DICKERSON: Is this witness considered qualified?

MR. STAMETS: He is.

Q Mr. Beck, will you please briefly describe the purpose of Yates Petroleum Corporation in this proceeding?

A In Case 6781 Yates Petroleum Corporation requests approval of the unorthodox gas well location of its proposed No. 1 Anton Giovanni MJ Federal, to be drilled 660 from the south line, 1980 from the east line, of Section 1, Township 20 South, Range 28 East, and the east half of Section 1 will be dedicated to the well.

Q Mr. Beck, please refer to the exhibits or the instruments which have been marked as Exhibits One, Two, and Three. Were these exhibits prepared by you or under your direction?

A They were.

Q Will you please refer to Exhibit Number One and describe what it reflects?

A Exhibit Number One is a land plat showing the proposed location and its relationship to the

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone: (505) 455-7409

1 surrounding acreage. Yellow denotes acreage in which Yates
2 has full or partial interest in operating rights.

3 Q Please turn to Exhibit Number Two and
4 describe what that instrument reflects.

5 A Exhibit Number Two is a combined clean
6 sand Isolith, a structural map. The solid contours show
7 the varying total thickness of a clean Upper Morrow Sand,
8 and the dotted contours show the structure on the top of the
9 Lower Morrow.

10 Within the subject proration unit out-
11 lined in red the amount of clean sand in the Upper Morrow
12 increases toward the south. Coupled with this increasing
13 sand are relatively dense control, shows a structural nosing
14 in the south part of the subject proration unit.

15 Also within the subject proration unit
16 outline the Penroc No. 1 Shell Federal, drilled in Unit H,
17 encountered 27 total feet of clean Upper Morrow Sand that
18 has been down warped into a synclinal nose and which was
19 tight by drill stem test.

20 At the proposed location it is antici-
21 pated that a borehole will encounter adequate Upper Morrow
22 Sands, arched over a structural nose and containing econ-
23 omic volumes of recoverable gas.

24 Yates has concentrated on the Upper
25 Morrow Sands in this area because the Lower Morrow Sands

1 are largely erratic channels which are usually wet except
2 very near their upper ends. For instance, the Estoril Well
3 Shell Federal in Unit D of the same section, was up dip.
4 It's up dip from the proposed location and contains two
5 water wet sands in the Lower Morrow.

6 Q Mr. Beck, please turn to Exhibit Number
7 Three and describe what that exhibit reflects.

8 A Exhibit Number Three is a south to north
9 cross section through the proposed location, showing the
10 southward increasing amount of sand in the Upper Morrow.

11 The cross section also indicates the
12 Penroc No. 1 Shell Federal Well may not have been drilled
13 deep enough to encounter the full Morrow Clastic section.

14 Yates intends to drill deep enough to
15 encounter all the Morrow section and more fully evaluate
16 the potential of this subject proration unit.

17 That's all I have.

18 MR. DICKERSON: Mr. Examiner, we move
19 the admission of Exhibits One, Two, and Three into evidence.

20 MR. STAMETS: These exhibits will be
21 admitted.

22 Q Mr. Beck, in your opinion would the
23 approval of this application be in the interest of pre-
24 vention of waste and protection of correlative rights?

25 A Yes, I do.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 435-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 Q In your opinion is this proposed un-
2 orthodox location geologically superior to an orthodox loca-
3 tion in the same area?

4 A Yes, sir.

5 MR. DICKERSON: Mr. Examiner, that's
6 all we have.

7
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Beck, the purpose of this location
11 is to get away from the tight section that was encountered
12 in the Penroc Well, is that correct?

13 A Yes, sir.

14 Q And it also is to get down towards the
15 thicker clean sand section?

16 A Yes, sir.

17 MR. STAMETS: Any other questions of
18 the witness? He may be excused.

19 What are you going to call that well?

20 A Anton Giovanni.

21 MR. STAMETS: If there is nothing
22 further, the case will be taken under advisement.

23
24 (Hearing concluded.)
25

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 record of the proceedings in
the Examiner hearing of Case no. 6786
heard by me on 1-3 1980

Richard H. Stuntz, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7439

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 Yates Petroleum
 Corporation for an unorthodox
 gas well location, Eddy County,
 New Mexico.

CASE
 6781

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

I N D E X

RAY BECK

Direct Examination by Mr. Dickerson	3
Cross Examination by Mr. Stamets	7

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Isolith	5
Applicant Exhibit Three, Cross Section	6

MR. STAMETS: We'll call next Case 6781.

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

MR. DICKERSON: Chad Dickerson, Losee, Carson, and Dickerson, P. A., Artesia, appearing for the applicant.

We have one witness.

(Witness sworn.)

RAY BECK

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name, where you reside, and by whom you're employed, please?

A Ray Beck. Artesia, New Mexico.
Yates Petroleum.

Q And, Mr. Beck, you have previously testified as an expert before this Division and had your credentials made a matter of record, have you not?

A Yes, sir.

Q You are familiar with the application of Yates Petroleum Corporation in these proceedings and the lands involved?

A Yes.

MR. DICKINSON: Is this witness considered qualified?

MR. STAMETS: He is.

Q Mr. Beck, will you please briefly describe the purpose of Yates Petroleum Corporation in this proceeding?

A In Case 6781 Yates Petroleum Corporation requests approval of the unorthodox gas well location of its proposed No. 1 Anton Giovanni MJ Federal, to be drilled 660 from the south line, 1980 from the east line, of Section 1, Township 20 South, Range 28 East, and the east half of Section 1 will be dedicated to the well.

Q Mr. Beck, please refer to the exhibits or the instruments which have been marked as Exhibits One, Two, and Three. Were these exhibits prepared by you or under your direction?

A They were.

Q Will you please refer to Exhibit Number One and describe what it reflects?

A Exhibit Number One is a land plat showing the proposed location and its relationship to the

1 surrounding acreage. Yellow denotes acreage in which Yates
2 has full or partial interest in operating rights.

3 Q Please turn to Exhibit Number Two and
4 describe what that instrument reflects.

5 A Exhibit Number Two is a combined clean
6 sand Isolith, a structural map. The solid contours show
7 the varying total thickness of a clean Upper Morrow Sand,
8 and the dotted contours show the structure on the top of the
9 Lower Morrow.

10 Within the subject proration unit out-
11 lined in red the amount of clean sand in the Upper Morrow
12 increases toward the south. Coupled with this increasing
13 sand are relatively dense control, shows a structural nosing
14 in the south part of the subject proration unit.

15 Also within the subject proration unit
16 outline the Penroc No. 1 Shell Federal, drilled in Unit II,
17 encountered 27 total feet of clean Upper Morrow Sand that
18 has been down warped into a synclinal nose and which was
19 tight by drill stem test.

20 At the proposed location it is antici-
21 pated that a borehole will encounter adequate Upper Morrow
22 Sands, arched over a structural nose and containing econ-
23 omic volumes of recoverable gas.

24 Yates has concentrated on the Upper
25 Morrow Sands in this area because the Lower Morrow Sands

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

1 are largely erratic channels which are usually wet except
2 very near their upper ends. For instance, the Astoril Well
3 Shell Federal in Unit B of the same section, was up dip.
4 It's up dip from the proposed location and contains two
5 water wet sands in the Lower Morrow.

6 Q Mr. Beck, please turn to Exhibit Number
7 Three and describe what that exhibit reflects.

8 A Exhibit Number Three is a south to north
9 cross section through the proposed location, showing the
10 southward increasing amount of sand in the Upper Morrow.

11 The cross section also indicates the
12 Penroc No. 1 Shell Federal Well may not have been drilled
13 deep enough to encounter the full Morrow Clastic section.

14 Yates intends to drill deep enough to
15 encounter all the Morrow section and more fully evaluate
16 the potential of this subject proration unit.

17 That's all I have.

18 MR. DICKERSON: Mr. Examiner, we move
19 the admission of Exhibits One, Two, and Three into evidence.

20 MR. STUMETS: These exhibits will be
21 admitted.

22 Q Mr. Beck, in your opinion would the
23 approval of this application be in the interest of pre-
24 venting of waste and protection of cumulative rights?

25 A Yes I do.

SALLY W. BOYD, C.S.R.

El. 1 Box 195-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 Q In your opinion is this proposed un-
2 orthodox location geologically superior to an orthodox loca-
3 tion in the same area?

4 A Yes, sir.

5 MR. DICKINSON: Mr. Examiner, that's
6 all we have.

7
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Beck, the purpose of this location
11 is to get away from the tight section that was encountered
12 in the Penroc Well, is that correct?

13 A Yes, sir.

14 Q And it also is to get down towards the
15 thicker clean sand section?

16 A Yes, sir.

17 MR. STAMETS: Any other questions of
18 the witness? He may be excused.

19 What are you going to call that well?

20 A Anton Giovanni.

21 MR. STAMETS: If there is nothing
22 further, the case will be taken under advisement.

23
24 (Hearing concluded.)
25

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

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 18, 1930

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

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

Re: CASE NO. 6781
ORDER NO. R-6252

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. 6781
Order No. R-6252

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 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, NMPM, to test the Morrow formation, Eddy County, New Mexico.

(3) That the E/2 of said Section 1 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. 6781

Order No. R-6252

(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:

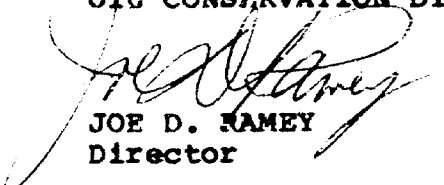
(1) That the application of Yates Petroleum Corporation for an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 20 East, NMPM, Eddy County, New Mexico.

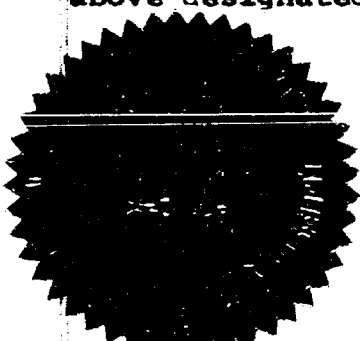
(2) That the E/2 of said Section 1 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

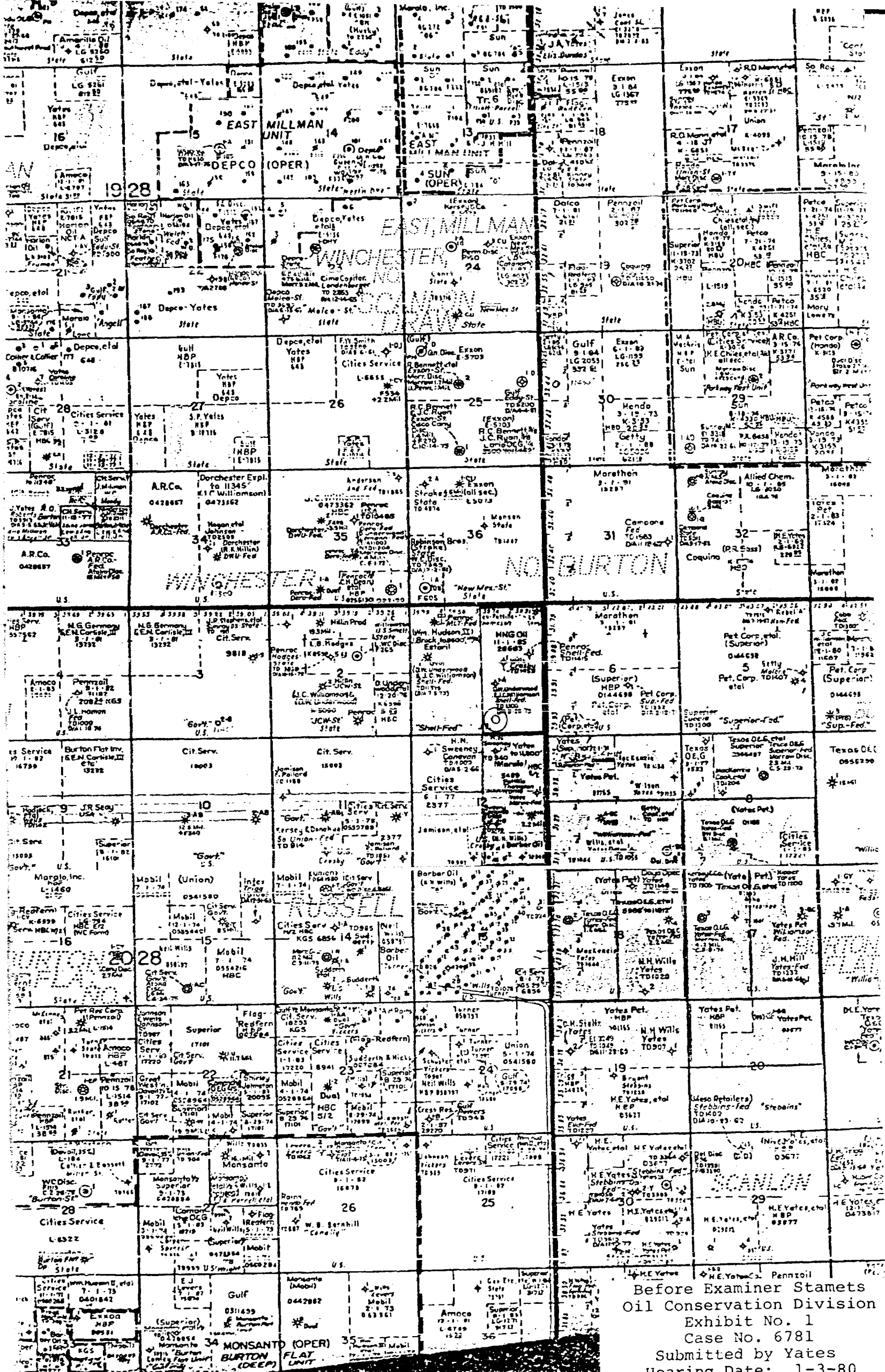
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

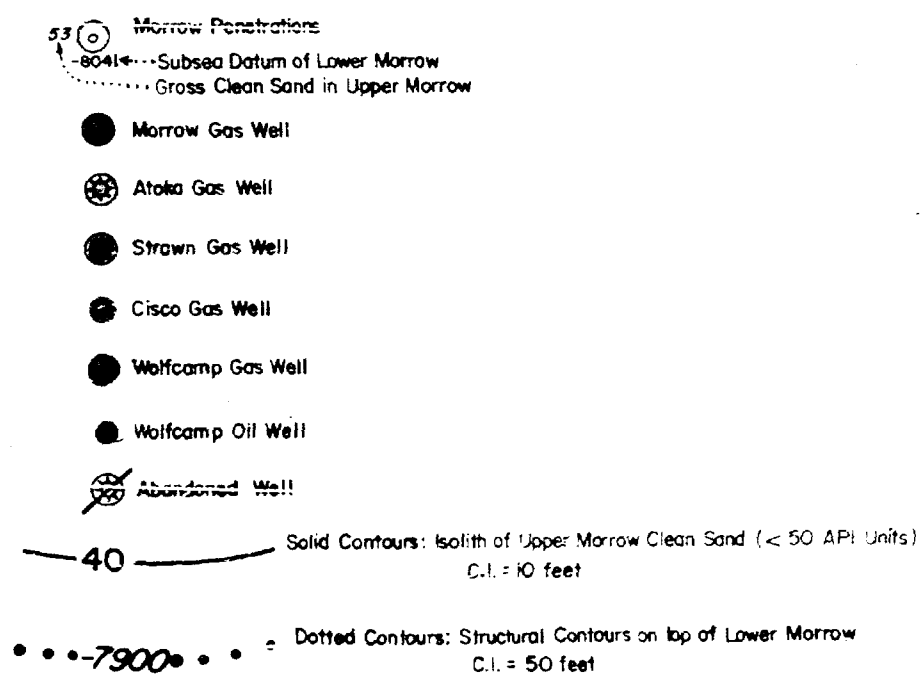
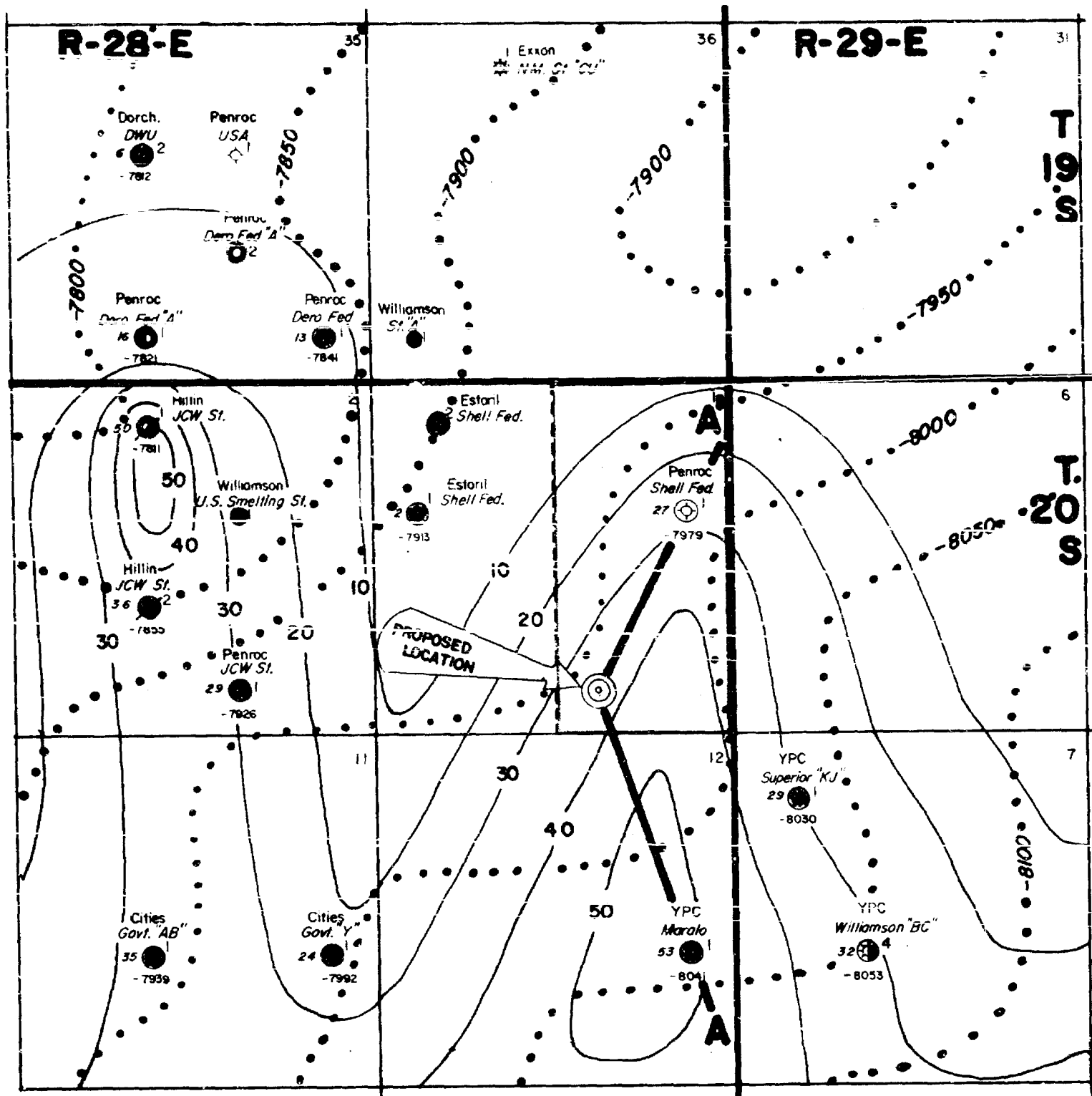
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

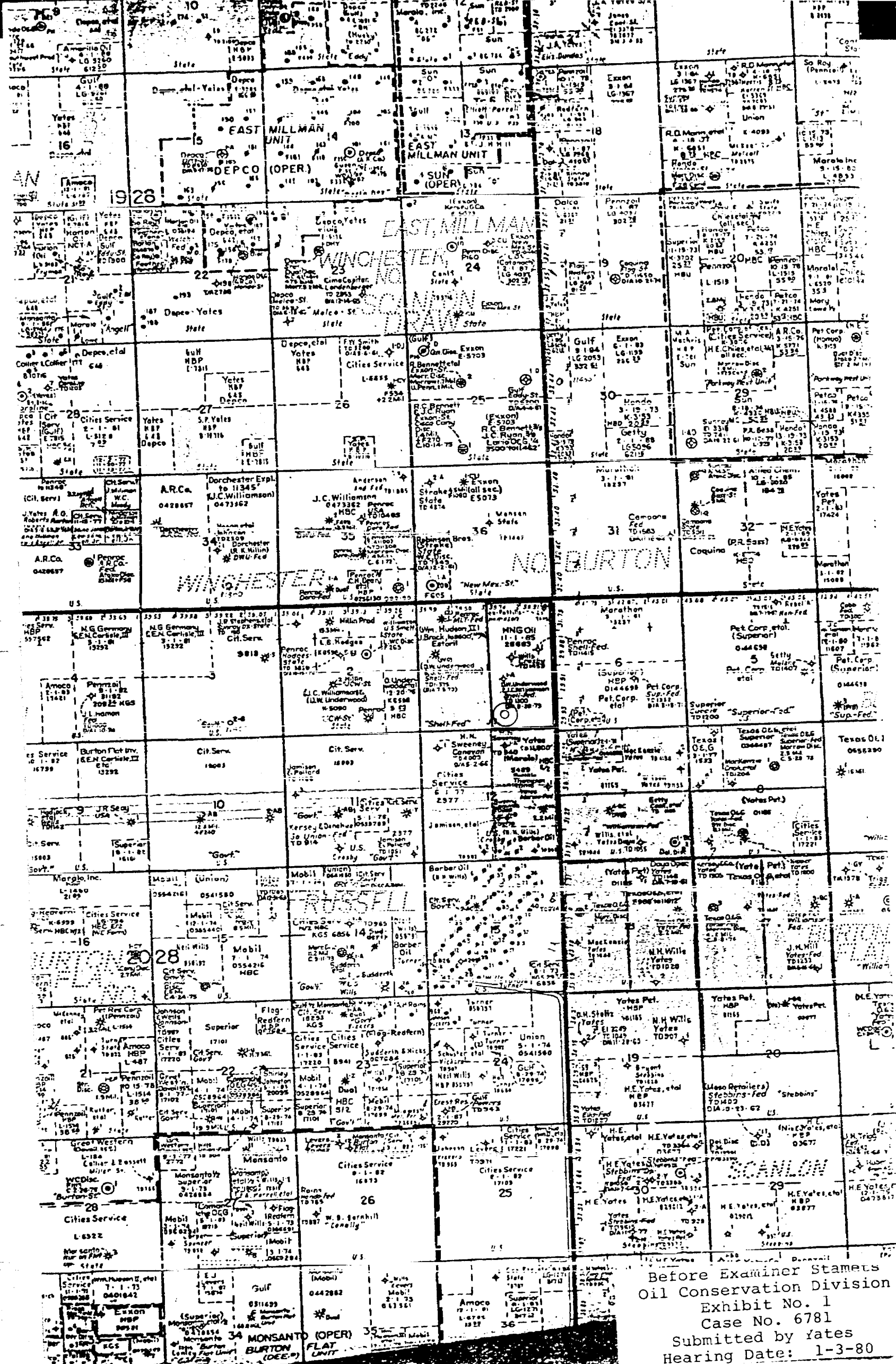
fd/



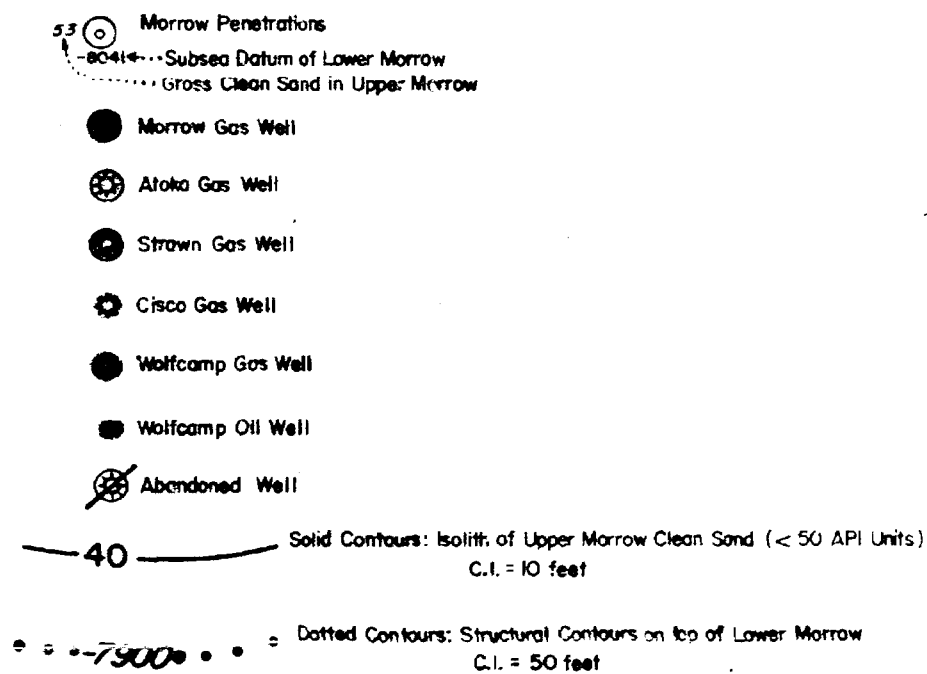
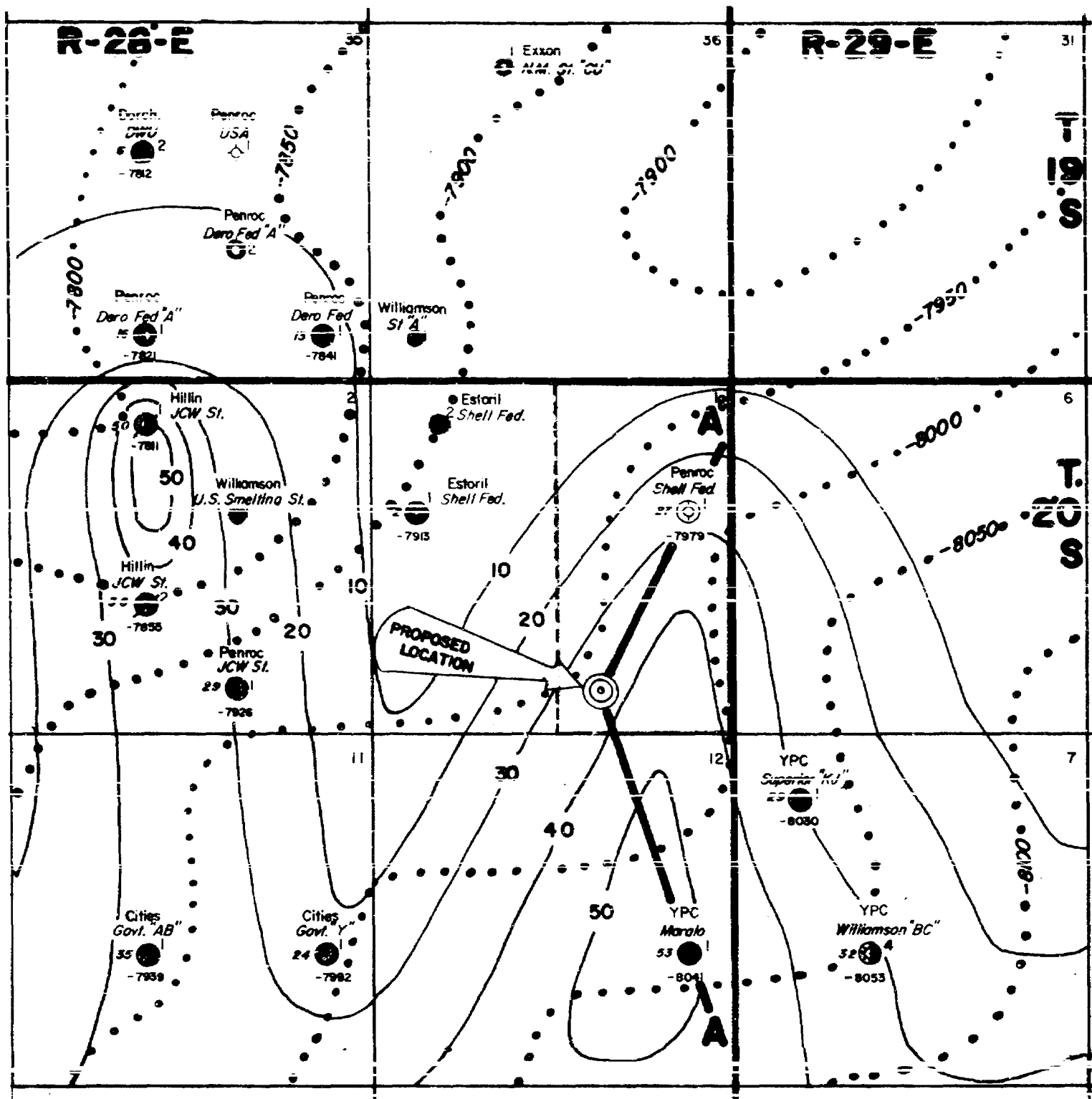


SCALE
1 inch = 2000 feet

Before Examiner Stamets
Oil Conservation Division
Exhibit No. 2
Case No. 6781
Submitted by Yates
Hearing Date: 1-3-80

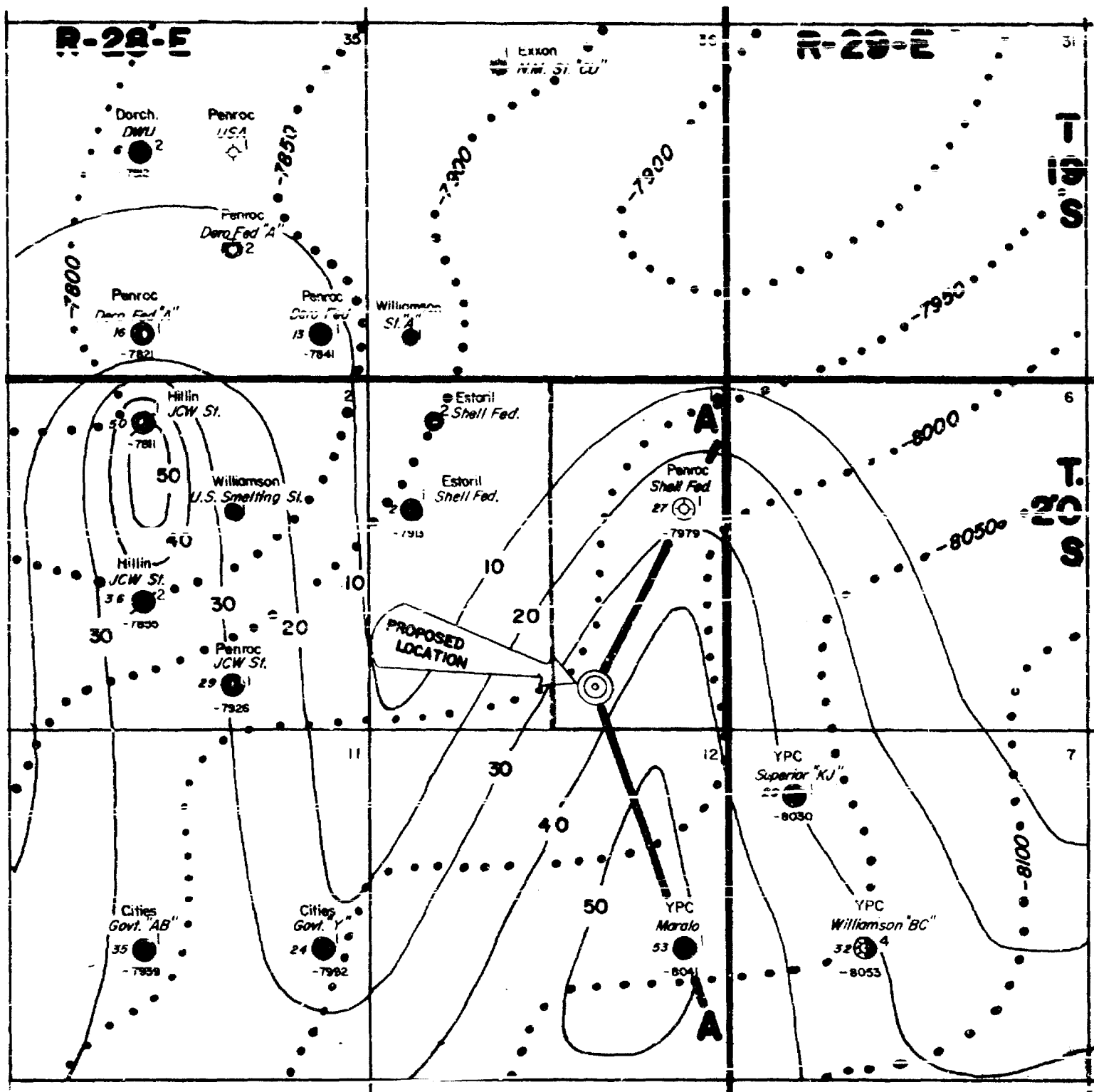


Before Examiner Staments
Oil Conservation Division
Exhibit No. 1
Case No. 6781
Submitted by Yates
Hearing Date: 1-3-80



SCALE
 Inch = 2000 feet

Before Examiner Stamets
 Oil Conservation Division
 Exhibit No. 2
 Case No. 6781
 Submitted by Yates
 Hearing Date: 1-3-80



53 (O) Marrow Penetrations
 -8041 Subsea Datum of Lower Marrow
 -8041 Gross Clean Sand in Upper Marrow

- Marrow Gas Well
- Atoka Gas Well
- Strawn Gas Well
- Cisco Gas Well
- Wolfcamp Gas Well
- Wolfcamp Oil Well
- Abandoned Well

— 40 — Solid Contours: Isolith of Upper Marrow Clean Sand (< 50 API Units)
 C.I. = 10 feet

... Dotted Contours: Structural Contours on top of Lower Marrow
 C.I. = 50 feet

SCALE
 1 inch = 2000 feet

Before Examiner Stamets
 Oil Conservation Division
 Exhibit No. 2
 Case No. 6781
 Submitted by Yates
 Hearing Date: 1-3-80

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 13 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 20, 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 interest 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 Bends 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.

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER

LAW OFFICES
LOSEE, CARSON & DICKERSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

November 30, 1979

Case 6781

Mr. Joe D. Ramey, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies of an Application of Yates Petroleum Corporation for an unorthodox gas well location in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson
Chad Dickerson

CD:pvm
Enclosures

cc: Yates Petroleum Corporation

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. 6781

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 20 South, Range 28 East, N.M.P.M.

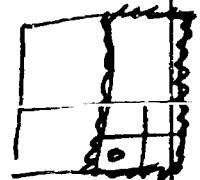
Section 1: E/2

and proposes to drill its Antongiovanni "MJ" Fed. No. 1 Well at a point located 1,980 feet from the east line and 660 feet from the south line of Section 1.

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 mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 1 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be 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 enter its order granting applicant permission to drill its Antongiovanni "MJ" Fed. No. 1 Well 1,980 feet from the east line and 660 feet from the south line of said Section 1, and to dedicate the E/2 of Section 1, which is reasonably presumed to be productive of gas from the Monlow formation.

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

YATES PETROLEUM CORPORATION

By: Chad Dickerson
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. 6281

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 20 South, Range 28 East, N.M.P.M.

Section 1: E/2

and proposes to drill its Antongiovanni "MJ" Fed. No. 1 Well at a point located 1,980 feet from the east line and 660 feet from the south line of Section 1.

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 mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 1 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be 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 enter its order granting applicant permission to drill its Antongiovanni "MJ" Fed. No. 1 Well 1,980 feet from the east line and 660 feet from the south line of said Section 1, and to dedicate the E/2 of Section 1, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: Chad Dickerson
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 : CASE NO. 6781
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 20 South, Range 28 East, N.M.P.M.

Section 1: E/2

and proposes to drill its Antongiovanni "MJ" Fed. No. 1 Well at a point located 1,980 feet from the east line and 660 feet from the south line of Section 1.

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 mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 1 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be 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 enter its order granting applicant permission to drill its Antongiovanni "MJ" Fed. No. 1 Well 1,980 feet from the east line and 660 feet from the south line of said Section 1, and to dedicate the E/2 of Section 1, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 211
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6781

ORDER NO. R- 6252

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 January 3,
1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ 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, Yates Petroleum Corporation,
seeks approval of an unorthodox gas well location 660
feet from the South line and 1980 feet from the
East line of Section 1, Township 20 South,
Range 28 East, NMPM, to test the Morrow
formation, Pool, Eddy
County, New Mexico.

(3) That the E/2 of said Section 1 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:

the application of Yates Petroleum Corporation for
(1) That an unorthodox gas well location for the Morrow

formation is hereby approved for a well to be located at a point 660
feet from the South line and 1980 feet from the East
line of Section 1, Township 20 South, Range 28 East
NMPM, Edo, Eddy County,
New Mexico.

(2) That the E/2 of said Section 1 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.