

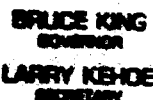
RECEIVED
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CASE NO.

6833

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 1, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
1808 827-5434

Mr. William F. Carr
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6833
ORDER NO. R-6303

Applicant:

Harvey E. Yates Company

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. 6833
Order No. R-6303

APPLICATION OF HARVEY E. YATES
COMPANY FOR DIRECTIONAL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 12, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of March, 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 for the directional drilling of its Betenbough Well
No. 1, the surface location of which is 660 feet from the North
line and 1980 feet from the West line of Section 32, Township 13
South, Range 36 East, Lea County, New Mexico, in such a manner
as to bottom it within 100 feet of a point 660 feet from the
North line and 1830 feet from the West line of said Section 32
in the Austin-Mississippian Pool.

(3) That the applicant should be required to determine the
subsurface location of the kick-off point prior to directional
drilling, and to determine the subsurface location of the bottom
of the hole by means of a continuous multi-shot directional
survey conducted subsequent to said directional drilling, if
said well is to be completed as a producing well.

-2-

Case No. 6833
Order No. R-6303

IT IS THEREFORE ORDERED:

(1) That the applicant, Harvey E. Yates Company, is hereby authorized to re-enter the Superior Betenbough Well No. 1, a plugged and abandoned well the surface location of which is 660 feet from the North line and 1980 feet from the West line of Section 32, Township 13 South, Range 36 East, NMPM, Lea County, New Mexico, clean it out to a depth of approximately 12,000 feet, and to then directionally drill said well in such a manner as to bottom it within 100 feet of a point 660 feet from the North line and 1830 feet from the West line of said Section 32 at a depth of approximately 13,900 feet in the Austin-Mississippian Pool.

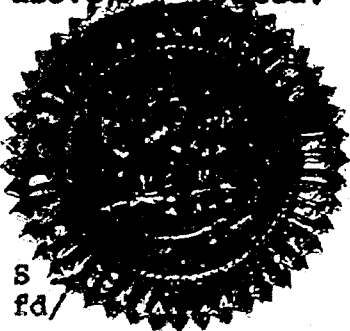
PROVIDED HOWEVER, that prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(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 stated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S
fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for directional drilling, Lea
County, New Mexico.

CASE
6833

BEFORE: Daniel S. Nutter

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:

William F. Carr, Esq.
CAMPBELL & BLACK P. A.
P. O. BOX 2208
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87201
Phone (505) 455-7409

I N D E X

RANDOLPH C. SMITH

Direct Examination by Mr. Carr	3
Cross Examination by Mr. Nutter	8

E X H I B I T S

Applicant Exhibit One, Cross Section	4
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1
2 6833.
3

MR. NUTTER: We'll call next Case Number

4 MR. PADILLA: Application of Harvey E.
5 Yates Company for directional drilling, Lea County, New
6 Mexico.

7 MR. CARR: May it please the Examiner,
8 I'm William F. Carr, Campbell and Black, P. A., appearing
9 on behalf of the applicant. I have one witness who needs
10 to be sworn.

11
12 (Witness sworn.)
13

14 RANDOLPH C. SMITH
15 being called as a witness and having been duly sworn upon
16 his oath, testified as follows, to-wit:
17

18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Will you please state your full name and
21 place of residence?

22 A My name is Randolph C. Smith and I live
23 in Midland, Texas.

24 Q By whom are you employed and in what
25 capacity?

A.
With Harvey E. Yates Company as an

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1 exploration geologist.

2 Q Have you previously testified before the
3 Commission and had your credentials accepted and made a mat-
4 ter of record?

5 A Yes, I have.

6 Q You were qualified as an exploration
7 geologist?

8 A That's correct.

9 Q Are you familiar with the application in
10 this case and the general area that is involved?

11 A Yes, I am.

12 MR. CARR: Are the witness' qualifications
13 acceptable?

14 MR. NUTTER: Yes, they are.

15 Q Will you briefly state what Harvey E.
16 Yates is seeking with this application?

17 A Harvey E. Yates Company is proposing to
18 re-enter this abandoned Superior Betenbough Well and side-
19 track, directionally drill from 12,000 feet down through the
20 Austin-Mississippian zone for a new wildcat completion.

21 Q And the well is presently abandoned, is
22 that correct?

23 A That is correct.

24 Q Will you now refer to what we have marked
25 as Harvey E. Yates Company Exhibit Number One, and first,

SALLY W. BOYD, C.S.A.

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1 refer to the two plats on this exhibit and explain to the
2 Examiner what they are and what they show?

3 A Yes, I will. Mr. Examiner, the first
4 plat on the lower lefthand portion of this exhibit consists
5 of the unit outline for the proposed Betenbough Unit and
6 its relationship to the producing field within the Tatum
7 Basin in southeast New Mexico.

8 The outline immediately above that shows
9 the unit outline on a more detailed ownership map with the
10 existing well location indicated by the red arrow.

11 Q Does this plat also show the proposed
12 bottom hole location?

13 A Yes, it does.

14 Q And that is sort of inside the area
15 shaded yellow?

16 A That is correct; just to the west of the
17 dry hole there.

18 Q What is the surface location of this
19 well, Mr. Smith?

20 A The location at the surface of the
21 existing well is 660 from the north and 1980 from the west.

22 Q And the bottom hole location you propose
23 will be?

24 A 660 from the north and 1830 from the
25 west.

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1 Q And what acreage is to be dedicated to
2 this well?

3 A The 320-acre section in the north half
4 of Section 32.

5 Q And is this a standard spacing unit for
6 the Austin-Mississippian Pool?

7 A Yes, it is.

8 Q The bottom hole location after it's
9 drilled, will that be an orthodox location?

10 A No, it will not.

11 Q And it will actually be closer to the
12 acreage to the west and it appears -- is this Harvey E.
13 Yates who also controls that acreage?

14 A That is correct.

15 Q Will you now refer to the log on this
16 exhibit and explain to the Examiner what it shows?

17 A Yes. This is a sonic log from Superior
18 No. 1 Betenbough in Section 32 or 13, 36. Harvey E. Yates
19 Company proposes to re-enter this well down to a depth of
20 approximately 12,000 feet, sidetrack this, and drill a new
21 hole down to a depth of around 13,600 or 13,700 feet.

22 We propose to test these colored sands
23 as you see here colored in yellow in the Atoka section and
24 also the Austin-Mississippian zone, which is colored in blue
25 in the lower section of this log.

SALLY W. BOYD, C.S.R.

RT. 1 Box 135-B

Santa Fe, New Mexico 87501

Phone (303) 495-7409

1 Q Now, you're, let's see, you want to move
2 away from the present bottom hole location for what reason?

3 A The purpose of this directional drilling
4 is to eliminate any damage that may have been done to the
5 sands after drilling to them in the early '60s, to encounter
6 a new reservoir, and also to encounter a new, clean reservoir
7 in the Austin-Mississippian zone.

8 Q And it's your intention to go to 12,000
9 feet and then with a whipstock kick off at that point, is
10 that correct?

11 A That is correct.

12 Q Mr. Smith, would it be satisfactory to
13 Harvey E. Yates Company for any order resulting from this
14 hearing to authorize completing the well within a 100-foot
15 target area surrounding your proposed location?

16 A That is correct, yes.

17 Q Do you plan to run directional surveys
18 on this well as required by Oil Conservation Division Rule
19 111?

20 A Yes, we do.

21 Q Are you going to run a survey before you
22 start the directional drilling or after, or both times?

23 A We are going to run both. We are going
24 to re-enter down to 12,000 feet, run a directional survey
25 at that time, then kick it off, and drill the remainder of

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1 the well and watch during the whole drilling and run an ad-
2 ditional survey, and tie it in all together for a bottom hole
3 location after reaching TD.

4 Q And Harvey E. Yates controls all the
5 offsetting acreage that could be affected by the directional
6 hole?

7 A Yes, we do. We control all of the im-
8 mediate acreage within that area.

9 Q In your opinion will granting this ap-
10 plication be in the interest of conservation and the pre-
11 vention of waste and the protection of correlative rights?

12 A Yes, sir.

13 MR. CARR: At this time, Mr. Examiner,
14 we would offer Harvey E. Yates Company Exhibit Number One.

15 MR. NUTTER: Exhibit One will be admitted
16 in evidence.

17 MR. CARR: I have nothing further on
18 direct.

19
20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q Mr. Smith, you referred to it, and also
23 the exhibit shows, that it's the proposed Betenbough Unit.
24 Has this unit been approved as yet, or formed?

25 A Last month in the previous hearing we

1 came up here with this similar exhibit to propose the unit,
2 but it was --

3 Q I see.

4 A -- whether or not it's been totally ap-
5 proved at this time, I don't know.

6 Q The Division has already had a hearing
7 on the unit, though?

8 A Yes. The reason for this hearing is
9 because of the absence of advertising for the directional
10 drilling, which was not mentioned in the previous hearing.

11 Q Oh, I see.

12 Now is there any casing in the well, do
13 you know?

14 A Only very shallow surface casing.

15 Q So it's just a matter of after you get
16 past that surface casing, re-entering the old plugged hole
17 and drilling it out, whatever cement plugs are in there,
18 and going to 12,000 feet and then kicking off for maybe 150
19 feet to the west, is that it?

20 A That's correct, sir.

21 Q Now, what was the total depth that the
22 well was originally drilled to?

23 A It was originally a Devonian test and
24 it was drilled to 14,780 feet.

25 Q 14,000 what?

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1 A 780.

2 Q Do you know whether they tested these
3 Pennsylvanian zones you're looking at?

4 A On the log here you see there's two
5 drill stem tests, Drill Stem Test No. 4 and Drill Stem Test
6 No. 5. The test results are to the left of those red DST
7 intervals but they did not test our Austin-Mississippian
8 zone, which you see in blue down there with porosity in the
9 red.

10 Q I see. And that's your main target
11 down there?

12 A Both of these are our main target, yes,
13 sir. The -- you can see on the -- both the drill stem tests,
14 they used a considerable amount of water fishing. They had
15 gas shows in both drill stem tests, but the pressures
16 showed that there might have been some damage, and perme-
17 ability is not as good in this particular spot.

18 Q And that was back in 19 --

19 A 64.

20 Q -- 64 and the techniques for completion
21 of these Pennsylvanian gas wells were not as perfected as
22 they are today, is that it?

23 A That's true.

24 MR. NUTTER: Are there any further
25

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1 questions of the witness? He may be excused.

2 Do you have anything further, Mr. Carr?

3 MR. CARR: Nothing further, Mr. Nutter.

4 MR. NUTTER: Does anyone have anything
5 they wish to offer in Case Number 6833?

6 We'll take the case under advisement.

7 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6833
heard by me on 3/12 1980.

[Signature], Examiner
Oil Conservation Division

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

EXAMINER HEARING

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Application of Harvey E. Yates Com-
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6833

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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RANDOLPH C. SMITH

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 Seaside, N.C. 28580 87901
 Phone (919) 495-7409

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25 Q 14,000 what?

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17 ability is not as good in this particular spot.

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20 Q -- 64 and the techniques for completion

21 of these Pennsylvanian gas wells were not as perfected as

22 they are today, is that it?

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24 MR. NUTTER: Are there any further

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1 questions of the witness? He may be excused.

2 Do you have anything further, Mr. Carr?

3 MR. CARR: Nothing further, Mr. Nutter.

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SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6833
heard by me on 3/12 1980.

[Signature], Examiner
Oil Conservation Division

Docket No. 6-80

Dockets Nos. 8-80 and 9-80 are tentatively set for March 26 and April 9, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MARCH 11, 1980

**OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

CASE 6409: (DE NOVO) (Continued and Readvertised)

Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

Upon application of Yates Petroleum Corporation and Napeco Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220. Applicants allege this is not an "oil" pool but is a "volatile" oil pool.

CASE 6823: Application of Amoco Production Company for 640-acre carbon dioxide gas well spacing, Harding, Quay, and Union Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 104 of the Division Rules and Regulations to require that wildcat and development carbon dioxide gas wells projected to the Tubb or older formations in Harding, Quay, and Union Counties must be located on 640-acre spacing and proration units, and must be located no nearer than 1650 feet to the outer boundary of the tract and not nearer than 330 feet to any interior quarter-quarter section line.

Docket No. 7-80

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 12, 1980

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for April, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves County, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6813: (Continued from February 27, 1980, Examiner Hearing) (This case will be dismissed.)

Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6196 which authorized re-entry of a well at an unorthodox location in the Lusk-Morrow Gas Pool to be dedicated to the N/2 of Section 13, Township 19 South, Range 31 East. Applicant now seeks approval for a new revised location 750 feet from the North line and 660 feet from the West line of said Section 13.

CASE 6834: Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. (This case will be continued to March 26 and readvertised.)

Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Burger Well No. 107 at an unorthodox location 2615 feet from the South and East lines of Section 24, Township 20 South, Range 38 East, to produce oil from the Blinebry Oil and Gas and Drinkard Pools.

CASE 6824: Application of American Trading and Production Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Talco Unit Area, comprising 4,800 acres, more or less, of State and Federal lands in Township 26 South, Range 35 East.

CASE 6815: (Continued and Readvertised)

Application of Florida Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Ross Draw Unit Well No. 8, a Wolfcamp gas well 1650 feet from the North and East lines of Section 27, Township 26 South, Range 30 East, the E/2 of said Section 27 being dedicated to the well.

CASE 6825: Application of Husky Oil Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its North Shore Woolworth Well No. 5 to be located in Unit E of Section 33, Township 24 South, Range 37 East, Jalmat Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6826: Application of Tahoe Oil and Cattle Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Penrose Skelly Pool underlying the SE/4 SE/4 of Section 25, Township 21 South, Range 36 East, to be dedicated to its Bromlee Well No. 1 located thereon. Also to be considered will be the cost of recompleting 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 recompleting said well.

CASE 6827: Application of Consolidated Oil & Gas, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the SE/4 of Section 2, Township 30 North, Range 12 West, and in the Mesaverde formation underlying the S/2 of said Section 2, 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 6828: Application of Etheldred T. Ross for three non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of the three following non-standard gas proration units, all in Township 19 North, Range 30 East: a 40-acre unit comprising the SW/4 NE/4 of Section 12; and two 80-acre units in Section 14, the first comprising the N/2 NW/4 and the second comprising the N/2 SE/4; each of said units would be dedicated to a well to be drilled to the Tubb formation at a standard location thereon.

CASE 6829: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings that the drilling of its El Paso Tom Federal Wells Nos. 1, 2, and 3, in Units D, E, and F, respectively, of Section 33, Township 25 South, Range 37 East, Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be drained by the existing well on each of said well's respective proration unit.

CASE 6830: Application of Enserch Exploration, Inc. for special pool rules or, in the alternative, a special gas-oil ratio, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the South Peterson-Pennsylvanian Field including a special gas-oil ratio of 4,000 to 1, or in the alternative, establishing a special gas-oil ratio of 4,000 to 1 for its Lambirth Well No. 3, located in Unit G of Section 31, Township 5 South, Range 33 East.

CASE 6831: 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 recompletion of its State "JM" Well No. 1 in the Wolfcamp thru Cisco formations at an unorthodox location 660 feet from the North and East lines of Section 25, Township 18 South, Range 24 East, the N/2 of said Section 25 to be dedicated to the well.

CASE 6832: 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 recompletion of its State "JC" Well No. 1 in the Wolfcamp thru Cisco formations at an unorthodox location 660 feet from the South and East lines of Section 13, Township 18 South, Range 24 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 6833: Application of Harvey E. Yates Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Betenbough Well No. 1, the surface location of which is 660 feet from the North line and 1980 feet from the West line of Section 32, Township 13 South, Range 36 East, in such a manner as to bottom it within 100 feet of a point 660 feet from the North line and 1830 feet from the West line of said Section 32 in the Austin-Mississippian Pool.

CASE 6818: (Continued from February 27, 1980, Examiner Hearing)

Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East.

CASE 6833: Application of Anadarko Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its New Mexico State "AB" Com. Well No. 1 located in Unit H of Section 36, Township 18 South, Range 28 East.

CASE 6836: Application of Anadarko Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its New Mexico "AA" State Well No. 1 located in Unit F of Section 35, Township 18 South, Range 28 East.

CASE 6837: Application of Curtis Little 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 W/2 of Section 7, Township 25 North, Range 3 West, 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 6819: (Continued from February 27, 1980, Examiner Hearing)

Application of V-F Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee or Devonian formations, or both, underlying four 40-acre units, being the SE/4 SE/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 of Section 21, Township 23 South, Range 37 East, North Teague Field, each 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 wells 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 wells and a charge for risk involved in drilling said wells.

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

February 22, 1980

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

Case 6833

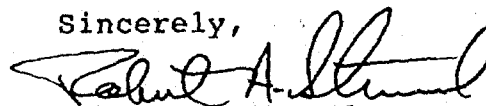
Attention: Mr. Richard Stamets

Re: Application for
Directional Drilling
N/2 Section 32,
T-13S R-36E, N.M.P.M.
Lea County, New Mexico

Dear Mr. Stamets:

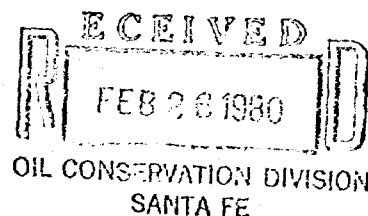
Enclosed please find a written application for directional drilling to be filed on behalf of Harvey E. Yates Company. As we discussed by telephone, this matter is being advertised for hearing on the March 12, 1980 docket, and I would appreciate receiving a copy of the same. Thank you.

Sincerely,


Robert H. Strand
Attorney

RHS/lh
OCD #18

Enclosure



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY : CASE NO. 6833
FOR DIRECTIONAL DRILLING :
LEA COUNTY, NEW MEXICO :

APPLICATION

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

1. Applicant is the operator of the Austin Mississippian
formation underlying:

Township 13 South, Range 36 East, N.M.P.M.

Section 32: N/2

Lea County, New Mexico

2. Applicant proposes to reenter the abandoned Superior
Betenbough #1 Well located at 660 feet from the North line and
1,980 feet from the West line of said Section 32, Township 13
South, Range 36 East with the intent of testing the Austin Missis-
sippian formation at an approximate depth of 13,900 feet.

3. Applicant's experience would suggest that the Atoka
Sands and the Austin Mississippian formations maybe damaged in
the vicinity of the existing well bore. Applicant proposes to
utilize the existing well bore to a depth of 12,000 feet, and at
that point set a whipstock and directionally drill in a westerly
direction to an anticipated completion location of 660 FNL and
1,830 FWL of said Section 32, at a subsurface depth of 13,900
feet, thereby exposing clean formation for testing.

4. Applicant by this Application seeks permission pur-
suant to Rule 111 of the Rules of the Oil Conservation Division,
to carry out the above described directional drilling operations,
subject to the requirements of said rule and any order entered by
the Division.

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY : CASE NO. 6833
FOR DIRECTIONAL DRILLING :
LEA COUNTY, NEW MEXICO :

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4. Applicant by this Application seeks permission pur-
suant to Rule 111 of the Rules of the Oil Conservation Division,
to carry out the above described directional drilling operations,
subject to the requirements of said rule and any order entered by
the Division.

5. A standard 320 acre gas proration unit comprising the N/2 of said Section 32 should be dedicated to said well.

6. The approval of this application will prevent the excessive risk and economic loss caused by drilling of unnecessary wells, and will otherwise promote conservation, 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.

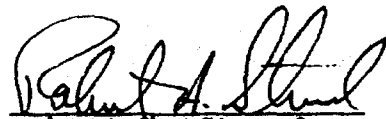
B. That upon such hearing, the Division enter its order granting applicant permission to carry out directional drilling operations as described above and to dedicate the N/2 of Section 32, Township 13 South Range 36 East, to said well.

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

DATED this 25th day of February, 1980.

HARVEY E. YATES COMPANY

By:



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

RHS/lh
OCD #17

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY : CASE NO. 6833
FOR DIRECTIONAL DRILLING :
LEA COUNTY, NEW MEXICO :

APPLICATION

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Township 13 South, Range 36 East, N.M.P.M.

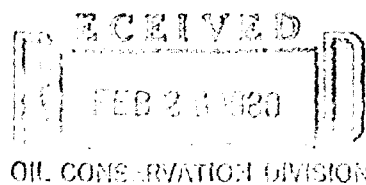
Section 32: N/2

Lea County, New Mexico

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subject to the requirements of said rule and any order entered by
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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 such hearing, the Division enter its order granting applicant permission to carry out directional drilling operations as described above and to dedicate the N/2 of Section 32, Township 13 South Range 36 East, to said well.

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

DATED this 25th day of February, 1980.

HARVEY E. YATES COMPANY

BY: 

Robert H. Strand

Attorney for Applicant

P. O. Box 1933

Roswell, New Mexico 88201

RHS/lh
OCD #17

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY : CASE NO. 6833
FOR DIRECTIONAL DRILLING :
LEA COUNTY, NEW MEXICO :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
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1. Applicant is the operator of the Austin Mississippian
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Township 13 South, Range 36 East, N.M.P.M.

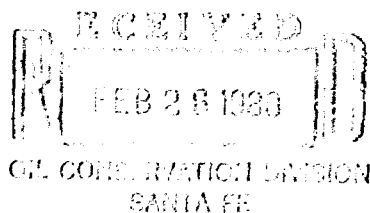
Section 32: N/2

Lea County, New Mexico

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feet, thereby exposing clean formation for testing.

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suant to Rule 111 of the Rules of the Oil Conservation Division,
to carry out the above described directional drilling operations,
subject to the requirements of said rule and any order entered by
the Division.



5. A standard 320 acre gas proration unit comprising the N/2 of said Section 32 should be dedicated to said well.

6. The approval of this application will prevent the excessive risk and economic loss caused by drilling of unnecessary wells, and will otherwise promote conservation, 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 such hearing, the Division enter its order granting applicant permission to carry out directional drilling operations as described above and to dedicate the N/2 of Section 32, Township 13 South Range 36 East, to said well.

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

DATED this 25th day of February, 1980.

HARVEY E. YATES COMPANY

By: 

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

RHS/lh
OCD #17

Application of Harvey E. Yater Company
for directional drilling, Austin Mississippian
Pool, Lee County

Applicant proposes to
Reenter old Superior Oil Co
Batenbough Well No 1 located @ 660 N
1980 W 32-T13S-R36E Lee Co.

Clean out to 12000' set whipstock
and drill to a point within ~~100~~ 100'
of a point 660 N 1830 W of
said Section 32.

Austin Mississippian Pool
N1/2 of said Sect 32 dedicated

Phoned in by Bob Strand 2-20-80

ROUGH

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. 6833

Order No. R-6303

APPLICATION OF HARVEY E. YATES
COMPANY FOR DIRECTIONAL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 12
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 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, seeks
approval for the directional drilling of its Betenbough Well
No. 1, the surface location of which is 660 feet from the North
line and 1980 feet from the West line of Section 32, Township 13

South, Range 36 East, Lea County, New Mexico, in such a manner as to bottom it within 100 feet of a point 660 feet from the North line and 1830 feet from the West line of said Section 32 in the Austin-Mississippian Pool.

(3) That the applicant should be required to determine the subsurface location of the kick-off point prior to directional drilling, and to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Harvey E. Yates Company, is hereby authorized to ~~re-enter the Superior~~ ^{a plugged and abandoned well} ~~directionally drill its~~ Betenbough Well No. 1, the surface location of which is 660 feet from the North line and 1980 feet from the West line of Section 32, Township 13 South, Range 36 East, in such a manner as to bottom it within 100 feet of a point 660 feet from the North line and 1830 feet from the West line of said Section 32 in the Austin-Mississippian Pool.

NMPM, Lea County, New Mexico, clean it out to a depth of approximately 12,000 feet, and to then directionally drill said well

PROVIDED FURTHER that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

PROVIDED HOWEVER, that prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

-3-

(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.