

CASE 6918: YATES PETROLEUM CORPORATION *tion*
FOR DOWNHOLE COMMINGLING, EDDY COUNTY,
NEW MEXICO

Case No.

6918

Application

Transcripts

Small Exhibits

ETC

TRANSWESTERN
Pipeline Company

A TEXAS EASTERN COMPANY

RECEIVED

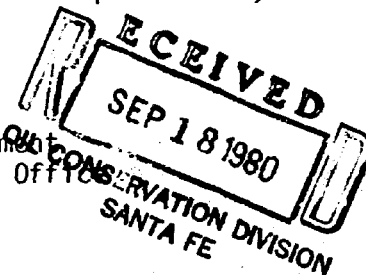
SEP 15 1980

O. C. D.
ARTESIA, OFFICE

September 12, 1980

New Mexico Energy & Minerals Department
Oil Conservation Division, District Office
P. O. Drawer "DD"
Artesia, New Mexico 88210

Attention: Mr. W. A. Gressett



Re: Kennedy "JQ" Com. Well #1
Section 33-17S-26E
Eddy County, New Mexico
Transwestern Station No. 1246-2

Gentlemen:

Yates Petroleum Corporation, by letter dated September 9, 1980, has advised Transwestern of the following described work-over:

The well identified above has been worked over to commingle the Kennedy Farms Upper Penn (perf. 7220-7246') with Kennedy Farms Morrow (perf. 8600-8618') under the authority of NMOCD Order No. R-6383 (Case No. 6918) with an effective date of September 8, 1980.

Very truly yours,

H. Nat Aicklen
Supervisor Gas Purchase
Contract Administration

HNA/bg

cc: Yates Petroleum Corporation
Attn: Juanita Goodlett
207 South 4th Street
Artesia, New Mexico 88210



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 20, 1980

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. 6918
ORDER NO. ~~R-6583~~

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 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. 6918
Order No. R-6383

APPLICATION OF YATES PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 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, is
the owner and operator of the Kennedy "JQ" Com. Well No. 1,
located in Unit H of Section 33, Township 17 South, Range 26
East, NMPN, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Upper
Penn and Morrow gas production within the wellbore of the above-
described well.

(4) That from the Upper Penn zone, the subject well is
capable of low marginal production only.

(5) That from the Morrow zone, the subject well is capable
of low marginal production only.

(6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

-2-

Case No. 6918
Order No. R-6383

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Artesia district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 12 percent of the commingled production should be allocated to the Upper Penn zone, and 88 percent of the commingled production to the Morrow zone.

IT IS THEREFORE ORDERED:

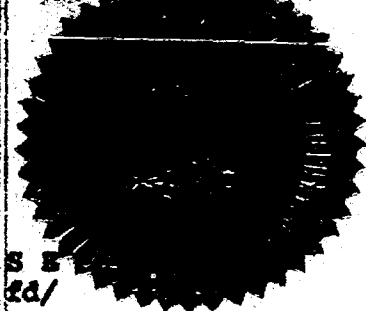
(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Upper Penn and Morrow gas production within the wellbore of the Kennedy "JQ" Com. Well No. 1, located in Unit H of Section 33, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field, Eddy County, New Mexico.

(2) That 12 percent of the commingled production shall be allocated to the Upper Penn zone and 88 percent of the commingled production shall be allocated to the Morrow zone.

(3) That the operator of the subject well shall immediately notify the Division's Artesia district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E
fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-
ation for downhole commingling, Eddy
County, New Mexico.

CASE
6918

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:

Chad Dickerson, Esq.
LOSEE, CARSON, AND DICKERSON
Artesia, New Mexico

SALLY W. BOYD, C.S.R.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

EDDIE MAHFOOD

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

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Diagrammatic Sketch	5
Applicant Exhibit Three, Log	6
Applicant Exhibit Four, Log	6
Applicant Exhibit Five, BHP	7
Applicant Exhibit Six, BHP	7

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

1 MR. NUTTFER: Call next Case Number 6918.

2 MR. PADILLA: Application of Yates Petro-
3 leum Corporation for downhole commingling, Eddy County, New
4 Mexico.

5 MR. DICKERSON: Mr. Examiner, my name is
6 Chad Dickerson, Artesia, New Mexico, on behalf of the applicant.
7 I have one witness.

8
9 (Witness sworn.)

10
11 EDDIE MAHFOOD

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

14
15 DIRECT EXAMINATION

16 BY MR. DICKERSON:

17 Q Will you state your name, your occupation,
18 and by whom you're employed, please?

19 A Eddie Mahfood, Petroleum Engineer, Yates
20 Petroleum, Artesia, New Mexico.

21 Q Now, Mr. Mahfood, you've previously testi-
22 fied as an expert before this Division?

23 A Yes, I have.

24 MR. DICKERSON: Is the witness qualified,
25 Mr. Examiner?

SALLY W. BOYD, C.S.R.

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

1 MR. NUTTER: Yes, he is.

2 Q Mr. Mahfood, are you familiar with the
3 application of Yates in Case Number 6918?

4 A Yes, I am.

5 Q Will you briefly describe what that ap-
6 plication seeks?

7 A We are applying for downhole commingling
8 permit to commingle the Penn and the Morrow in this well.

9 Q The well is presently producing from what
10 formation?

11 A The well is presently completed in the
12 Penn.

13 Q And it is not yet completed in the --

14 A The well was originally completed in the
15 Morrow, was temporarily abandoned and recompleted in the Penn.
16 We now seek to commingle the two zones.

17 MR. NUTTER: You mean the Upper Penn?

18 A Yes, sir, the Upper Penn.

19 Q Mr. Mahfood, please refer to what is
20 marked Exhibit Number One and tell the Examiner what that ex-
21 hibit shows?

22 A Exhibit Number One is a lease ownership
23 map. In yellow is the dedicated acreage for the well in ques-
24 tion, 320 spacing. The Kennedy "JQ" is located in Section 33,
25 17, 26.

SALLY W. BOYD, C.S.R.

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

1 Q And that well is indicated by the red dot?

2 A The well is indicated by the red dot.

3 Q Mr. Mahfood, please refer to Exhibit Num-
4 ber Two and describe what it shows.

5 A Exhibit Two is a diagrammatic sketch of
6 the proposed downhole commingling. We see one string of
7 tubing in 5-1/2 casing and we see the two sets of perforations.
8 At the present time there is a retrieveable bridge plug at
9 7295, which is the plug back in this well, and there's a packer
10 at 7177.

11 We propose to remove that packer to extend
12 the tubing -- to remove the retrieveable bridge plug, to ex-
13 tend the tubing and tie back into the Morrow packer using a
14 sliding sleeve in an open position to allow the Upper Penn
15 zone to enter the common tubing with the Morrow.

16 Q Mr. Mahfood, what does this exhibit Number
17 Two show with respect to your production history from the
18 Morrow zone?

19 A It also shows that the Upper Penn is pre-
20 sently producing at approximately 80 Mcf a day with conden-
21 sate. We believe that this zone is capable of producing more
22 than 80 Mcf a day, but under the present conditions the hole
23 is partially loaded with condensate and restricting the flow.

24 The Morrow, when it was temporarily
25 abandoned, was making approximately 200 Mcf a day with con-

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

1 densate. We feel that by commingling the two zones together
2 it will enhance the production from the Upper Penn and also
3 from the Morrow.

4 Q Is it your opinion that if this applica-
5 tion for commingling is granted that you will recover gas that
6 would not otherwise be recovered?

7 A Yes.

8 Q Do you have anything further you wish to
9 add about Exhibit Number Two?

10 A No. I have some other exhibits here that
11 do reflect the remaining pressures, or the present pressures
12 in the reservoir.

13 Q Refer to Exhibit Number Three, Mr. Mahfood,
14 and describe what it shows.

15 A Exhibit Three is the dualateral log of
16 the subject well, showing the perforations in the Upper Penn
17 and in the Morrow. In yellow is the separation of the DNL
18 log and in orange is the separation of the RXO from the DLL
19 both of which indicate permeability of the zones in question.

20 Q Refer to Exhibit Number Four, Mr. Mahfood,
21 and describe what it shows, please.

22 A Exhibit Number Four is the porosity log,
23 CNL density log, of the subject well. Again we see the Upper
24 Penn perforations and the Morrow perforations shown in yellow
25 on the right side. The perforations are marked in red in

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 435-7409

1 the center of the log with annotations as to the productivity
2 of each zone.

3 Q Refer to Exhibit Number Five and describe
4 what it reflects.

5 A Exhibit Number Five is the bottom hole
6 pressure taken prior to temporarily abandoning the Morrow
7 zone. It shows a bottom hole pressure of 1465.

8 Q And what's the significance of that pres-
9 sure?

10 A It shows that the Morrow zone was -- is,
11 perhaps, 60 percent or more depleted at the time that it was
12 temporarily abandoned.

13 MR. NUTTER: What does that pressure read
14 again, Mr. Mahfood?

15 A 1465. The original pressure should have
16 been in the neighborhood of, let's see, about 3500 pounds.

17 MR. NUTTER: Thank you.

18 Q Mr. Mahfood, refer to Exhibit Number Six
19 and describe what that exhibit reflects.

20 A This is the present bottom hole pressure
21 of the Upper Penn, at 3920 pounds and it's also -- it reflects
22 that that Upper Penn has been depleted approximately 60 per-
23 cent or more.

24 Q Now, Mr. Mahfood, title to both -- or all
25 gas in both of these zones is common, is it not?

SALLY W. BOYD, C.S.R.

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

1 A Yes. They're compatible.

2 Q Title is common, though, the same parties
3 own --

4 A Oh, yes, I'm sorry, I misunderstood.

5 Q Mr. Mahfood, in your opinion does the
6 plan that you've described here for the commingling of gas
7 from this well adequately provide -- protect against possible
8 reservoir damage?

9 A Yes.

10 Q And in your opinion would the granting
11 of this application be in the interest of conservation, the
12 prevention of waste, and the protection of correlative rights?

13 A Yes.

14 Q Mr. Mahfood, were Exhibits One through
15 Six either prepared by you or under your direction or reflect
16 information that you have personal knowledge concerning?

17 A That is correct.

18 MR. DICKERSON: Mr. Examiner, we would
19 move admission of Exhibits One through Six.

20 MR. NUTTER: Yates Exhibits One through
21 Six will be admitted in evidence.

22 MR. DICKERSON: And that concludes our
23 direct examination.
24
25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Mahfood, how much did the Morrow make before you abandoned it?

A Approximately 150,000 Mcf, or 150,000,000 cubic feet.

Q And then you recompleted in the Upper Penn and how much has it made in the Upper Penn to date?

A I would estimate in the neighborhood of 20 million.

Q And you figure that both of these zones are about 60 percent depleted now?

A From the bottom hole pressure I would conclude that, sir.

MR. NUTTER: Are there any further questions of Mr. Mahfood? He may be excused.

Do you have anything further, Mr. Dickerson?

MR. DICKERSON: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case Number 6918?

We'll take the case under advisement.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-4699

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil 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 CSR.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-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. 6918
heard by me on 6/4 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
4 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-) CASE
ation for downhole commingling, Eddy) 6918
County, New Mexico.)

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:

Chad Dickerson, Esq.
LOSEE, CARSON, AND DICKERSON
Artesia, New Mexico

SALLY W. BOYD, C.S.R.

Rt. 1 Box 109-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

I N D E X

EDDIE MAHFOOD

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

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Diagrammatic Sketch	5
Applicant Exhibit Three, Log	6
Applicant Exhibit Four, Log	6
Applicant Exhibit Five, BHP	7
Applicant Exhibit Six, BHP	7

MR. NUTTER: Call next Case Number 6918.

MR. PADILLA: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico.

MR. DICKERSON: Mr. Examiner, my name is Chad Dickerson, Artesia, New Mexico, on behalf of the applicant. I have one witness.

(Witness sworn.)

EDDIE MAHFOOD

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, your occupation, and by whom you're employed, please?

A Eddie Mahfood, Petroleum Engineer, Yates Petroleum, Artesia, New Mexico.

Q Now, Mr. Mahfood, you've previously testified as an expert before this Division?

A Yes, I have.

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

MR. NUTTER: Yes, he is.

Q Mr. Mahfood, are you familiar with the application of Yates in Case Number 69187

A Yes, I am.

Q Will you briefly describe what that application seeks?

A We are applying for downhole commingling permit to commingle the Penn and the Morrow in this well.

Q The well is presently producing from what formation?

A The well is presently completed in the Penn.

Q And it is not yet completed in the --

A The well was originally completed in the Morrow, was temporarily abandoned and recompleted in the Penn. We now seek to commingle the two zones.

MR. NUTTER: You mean the Upper Penn?

A Yes, sir, the Upper Penn.

Q Mr. Mahfood, please refer to what is marked Exhibit Number One and tell the Examiner what that exhibit shows?

A Exhibit Number One is a lease ownership map. In yellow is the dedicated acreage for the well in question, 320 spacing. The Kennedy "JQ" is located in Section 33, 17, 26.

Q And that well is indicated by the red dot?

A The well is indicated by the red dot.

Q Mr. Mahfood, please refer to Exhibit Number Two and describe what it shows.

A Exhibit Two is a diagrammatic sketch of the proposed downhole commingling. We see one string of tubing in 5-1/2 casing and we see the two sets of perforations. At the present time there is a retrieveable bridge plug at 7295, which is the plug back in this well, and there's a packer at 7177.

We propose to remove that packer to extend the tubing -- to remove the retrieveable bridge plug, to extend the tubing and tie back into the Morrow packer using a sliding sleeve in an open position to allow the Upper Penn zone to enter the common tubing with the Morrow.

Q Mr. Mahfood, what does this exhibit Number Two show with respect to your production history from the Morrow zone?

A It also shows that the Upper Penn is presently producing at approximately 80 Mcf a day with condensate. We believe that this zone is capable of producing more than 80 Mcf a day, but under the present conditions the hole is partially loaded with condensate and restricting the flow.

The Morrow, when it was temporarily abandoned, was making approximately 200 Mcf a day with con-

densate. We feel that by commingling the two zones together it will enhance the production from the Upper Penn and also from the Morrow.

Q Is it your opinion that if this application for commingling is granted that you will recover gas that would not otherwise be recovered?

A Yes.

Q Do you have anything further you wish to add about Exhibit Number Two?

A No. I have some other exhibits here that do reflect the remaining pressures, or the present pressures in the reservoir.

Q Refer to Exhibit Number Three, Mr. Mahfood, and describe what it shows.

A Exhibit Three is the dualateral log of the subject well, showing the perforations in the Upper Penn and in the Morrow. In yellow is the separation of the DNL log and in orange is the separation of the RXO from the DLL both of which indicate permeability of the zones in question.

Q Refer to Exhibit Number Four, Mr. Mahfood, and describe what it shows, please.

A Exhibit Number Four is the porosity log, CNL density log, of the subject well. Again we see the Upper Penn perforations and the Morrow perforations shown in yellow on the right side. The perforations are marked in red in

the center of the log with annotations as to the productivity of each zone.

Q Refer to Exhibit Number Five and describe what it reflects.

A Exhibit Number Five is the bottom hole pressure taken prior to temporarily abandoning the Morrow zone. It shows a bottom hole pressure of 1465.

Q And what's the significance of that pressure?

A It shows that the Morrow zone was -- is, perhaps, 60 percent or more depleted at the time that it was temporarily abandoned.

MR. NUTTER: What does that pressure read, again, Mr. Mahfood?

A 1465. The original pressure should have been in the neighborhood of, let's see, about 3500 pounds.

MR. NUTTER: Thank you.

Q Mr. Mahfood, refer to Exhibit Number Six and describe what that exhibit reflects.

A This is the present bottom hole pressure of the Upper Penn, at 3920 pounds and it's also -- it reflects that that Upper Penn has been depleted approximately 60 percent or more.

Q Now, Mr. Mahfood, title to both -- or all gas in both of these zones is common, is it not?

A Yes. They're compatible.

Q Title is common, though, the same parties own --

A Oh, yes, I'm sorry, I misunderstood.

Q Mr. Mahfood, in your opinion does the plan that you've described here for the commingling of gas from this well adequately provide -- protect against possible reservoir damage?

A Yes.

Q And in your opinion would the granting of this application be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

Q Mr. Mahfood, were Exhibits One through Six either prepared by you or under your direction, or reflect information that you have personal knowledge concerning?

A That is correct.

MR. DICKERSON: Mr. Examiner, we would move admission of Exhibits One through Six.

MR. NUTTER: Yates Exhibits One through Six will be admitted in evidence.

MR. DICKERSON: And that concludes our direct examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Mahfood, how much did the Morrow make before you abandoned it?

A Approximately 150,000 Mcf, or 150,000,000 cubic feet.

Q And then you recompleted in the Upper Penn and how much has it made in the Upper Penn to date?

A I would estimate in the neighborhood of 20 million.

Q And you figure that both of these zones are about 60 percent depleted now?

A From the bottom hole pressure I would conclude that, sir.

MR. NUTTER: Are there any further questions of Mr. Mahfood? He may be excused.

Do you have anything further, Mr. Dickerson?

MR. DICKERSON: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case Number 69187

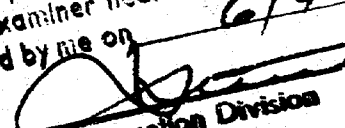
We'll take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil 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 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6918.
heard by me on 6/4 1980.
 Examiner
Oil Conservation Division

ARTESIA

KENNEDY FARMS

ATOKA

Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 1

Diagrammatic Sketch of Proposed Dual Completion and Downhole Commingling

Elevation: 3,339' GL (3,252' KB)
Spudded: 5-22-78
Completed: 7-6-78 (Morrow)
9-10-79 (Canyon)

Top of San Andres @ 970'

Base of Artesian Water Zone @ 1300'

only complete in Morrow then release in upper Permian to permit to complete commingling

Cisco @ 6772'

Kennedy Farms - Upper Perm - Gas
Approx. 80 net ft + cond

will extend tubing

Morrow Classat @ 8588'

Kennedy Farms - Morrow - Gas
Approx. 200 net ft + cond

Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 2

KENNEDY JQ. Com. No. 1
2510' ENL & 660' FEL
Sec. 33, T. 17 S., R. 26 E.
Eddy County, N. M.

17 1/2" hole to 429'
13 3/8" 48" Csg set @ 429', cont'd to surface w/ 350 sk.

12 1/4" hole to 1,443'
8 5/8" 24" Res Csg set @ 1,443', cont'd to surface w/ 1,148 sk. + 12 yds R-M.

Top of cement @ 6,390'

To commingle, propose to pull pks @ 7,177' and RBP @ 7,295, extend tag w/ blast joints & open sliding sleeve to tie into 90' tied in pki @ 8,542' and produce both zones thru tag.

will remove packer

2 3/8" Tubing in Packer @ 7,177'
would have sliding sleeve w/ open position

Perf 7,220'-7,228' w/ 16 - 0.34" holes
Perf 7,238'-7,246' w/ 16 - 0.34" holes

RBP @ 7,295 (retrograde bridge plug)
will be removed

Packer w/ standing valve @ 8,542'

Perf 8,600'-8,618' w/ 72 - 0.5" holes

PBD: 8,666'

4 1/2" casing @ 8,728' w/ 570 sk

TD: 8,845'

Hand-drawn sketch of a mountain range on graph paper. The sketch shows a series of peaks and valleys. A prominent peak on the left is labeled "Ganica" and "Rui". To its right, another peak is labeled "7.5". The drawing is done in black ink on a grid background.

D Pickup

NSFL →

410

Case
N.M. Oil Con
Examiner Hea

0031

[illegible]

Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 3

#1
DST 7204-7307 DL
30-90-60-120
415-164 wet 215 inches
3312 84-130-2673
3812 130-150-4673
7200-2576 7252-3076
14 14 200g 18 2 112 227 116
Placed 200g in 112 = 1260 20718
7238-4415
for 112 = 1260 20718

A hand-drawn graph on grid paper. The vertical axis is labeled 'A' and 'B' at the top. The horizontal axis is labeled 'C' and 'D' at the bottom. Two curves are plotted: one labeled 'A' and one labeled 'B'. Both curves are oscillatory and intersect at several points. A large, dark, irregular smudge is present in the center of the graph.

Case
N.M. Oil Con
Examiner Hea
Yates, Petrole

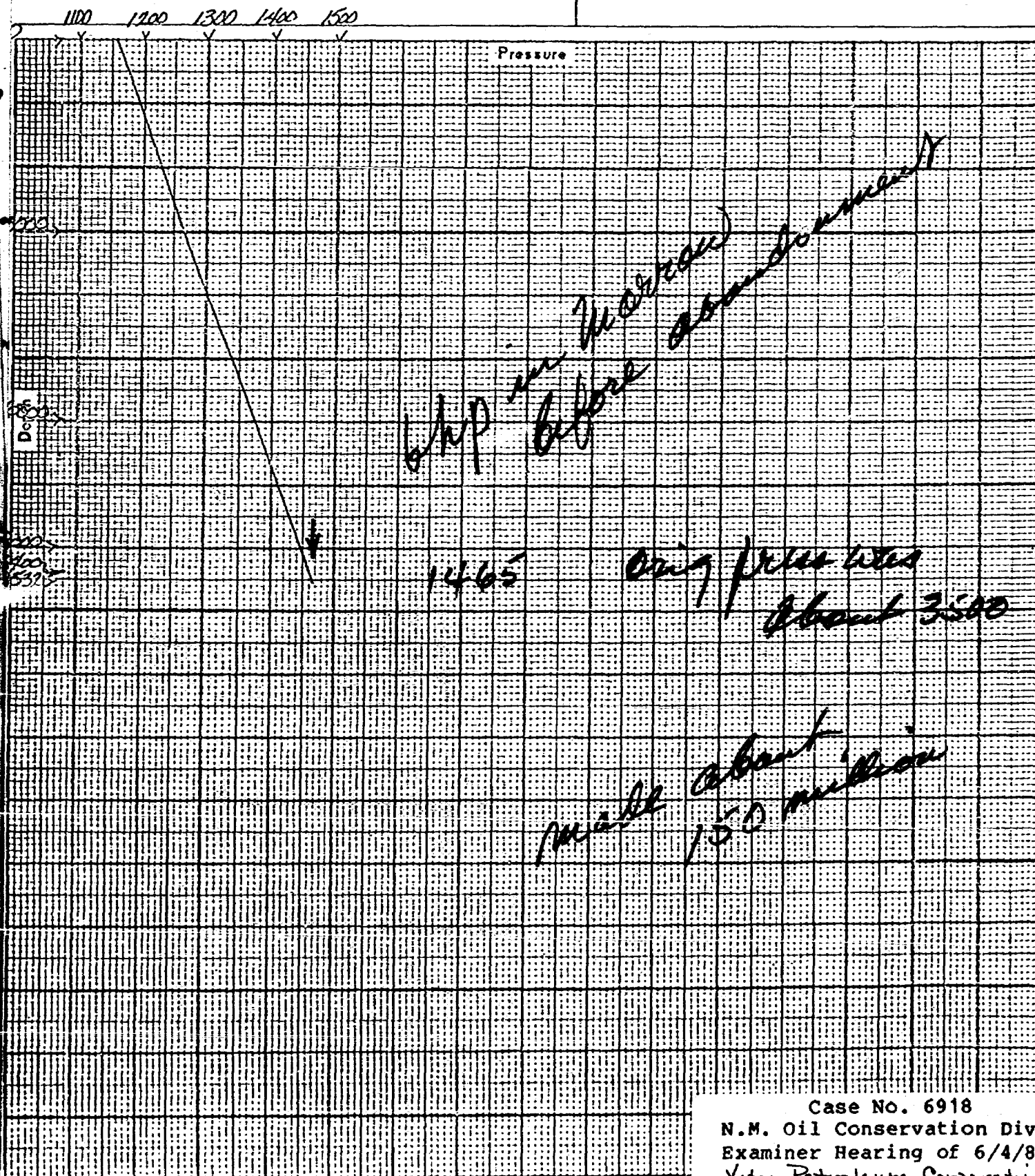
Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 4

[illegible]

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR Yates Petroleum Corp.
LEASE Kennedy "JO"
WELL NO. 1
FIELD _____
DATE 1/26/79 TIME 7:00 A.M.
STATUS Shut-in TEST DEPTH 8532 Ft.
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1158 BHP CHANGE _____
ELEV. _____ FLUID TOP None
DATUM _____ WATER TOP _____
TEMP 159° RUN BY Billy Joe
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 499

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1158 Lbs.	
3000 "	1265 "	3.5
6000 "	1370 "	3.5
8532 "	1465 "	3.8





BENNETT WIRE LINE SERVICE

P. O. BOX 787
ARTESIA, NEW MEXICO 88210
Phone 748-3281



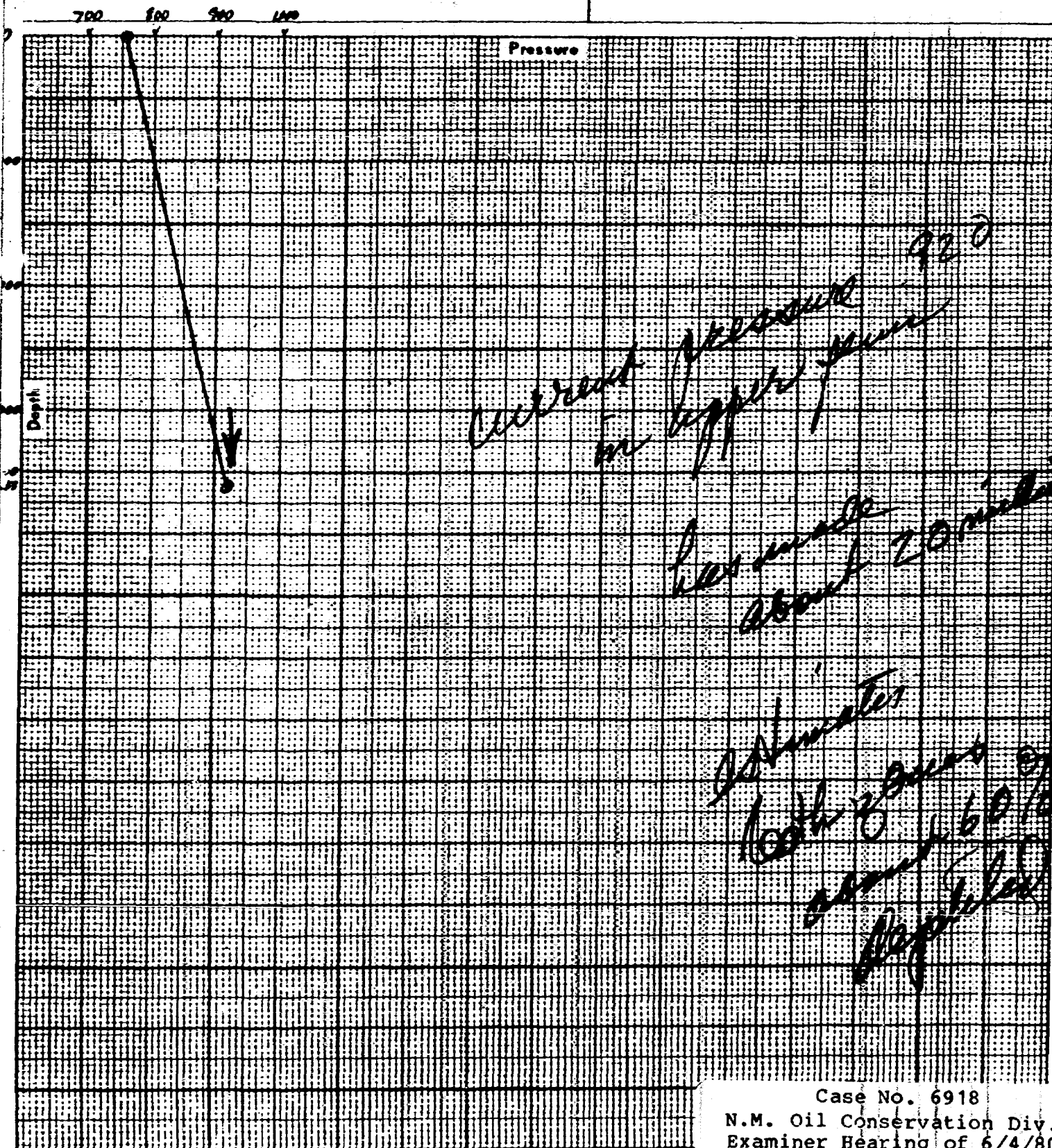
H. APPLE

BOTTOM HOLE PRESSURE SURVEY REPORT

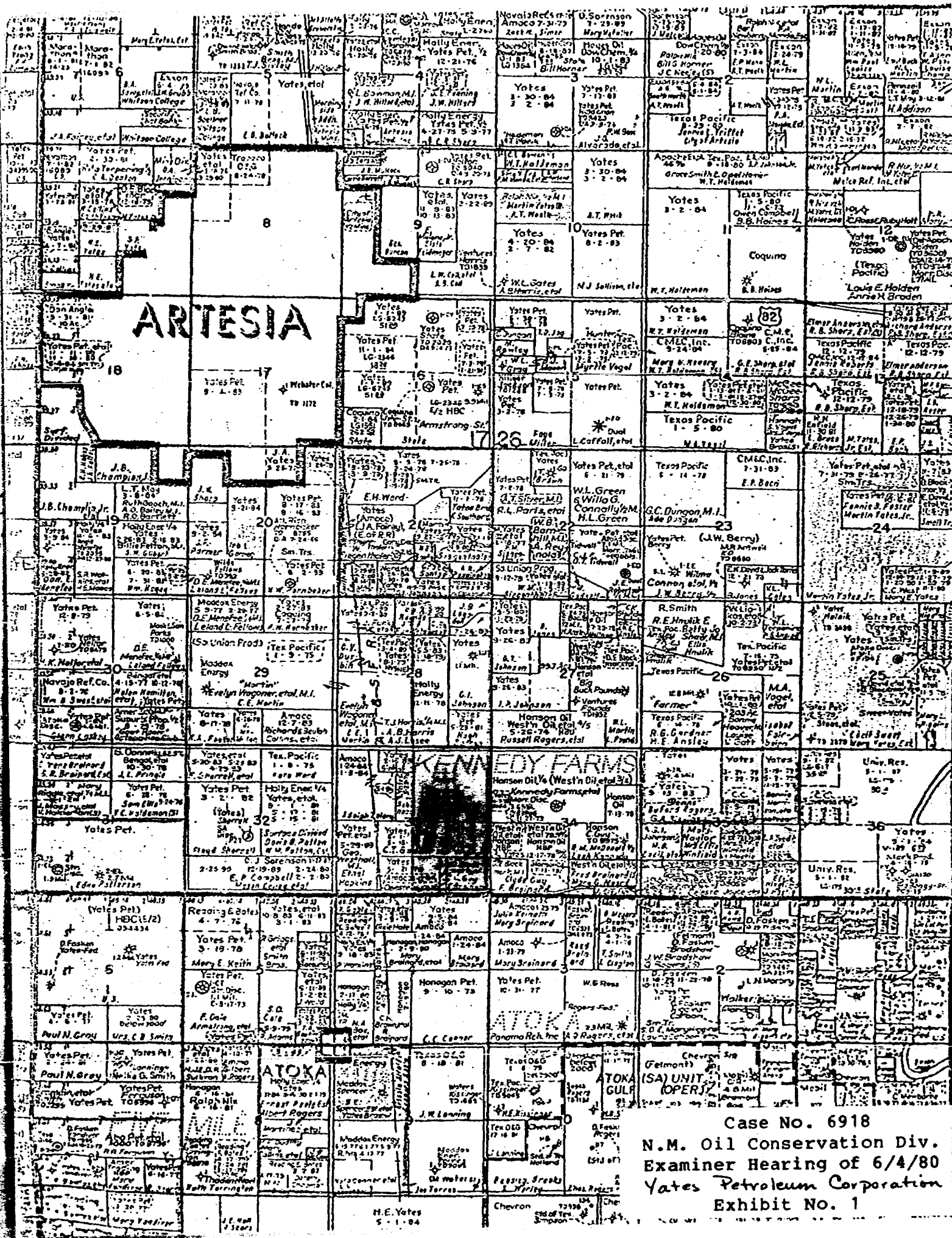
OPERATOR YATES PETROLEUM CORP
LEASE KENNEDY FARMS "JQ"
WELL NO. #1
FIELD _____
DATE 6-1-80 TIME 1900

DEPTH	PRESSURE	GRADIENT
0	756	
7,233	920	2.27

STATUS SHUT IN TEST DEPTH 7,233
TIME S.I. 1200 LAST TEST DATE 1-26-79
5-28-80 BHP LAST TEST 1,465 @ 8,532 FT
TUB. PRES. 756 BHP CHANGE -945
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 128 RUN BY B.J. CATHEY
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. RPG3# 43798, 0-7,000 LB. RANGE



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 6



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 1

Diagrammatic Sketch of Proposed Dual Completion and Downhole Commingling

Elevation: 3,339' GL (3,352' KB)
Spudded: 5-22-78
Completed: 7-6-78 (Morrow)
9-10-79 (Canyon)

Top of San Andres @ 970'

Base of Artesian Water Zone @ 1300'

Cisco @ 6722

Kennedy Farms - Upper Penn - Gas
Approx 180 mcfpd + cond

Morrow Clastics @ 8588

Kennedy Farms - Morrow - Gas
Approx 200 mcfpd + cond

Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 2

KENNEDY JQ. Com. No. 1
2510' ENL & 660' FEL
Sec. 33, T. 17S, R. 24E
Eddy County, N.M.

17 1/2" hole to 429'
13 3/8" 48" Csg set @ 429', cont'd
to surface w/ 350 SX.

12 1/4" hole to 1,443'
8 3/8" 24" 48" Csg set @ 1,443', cont'd
to surface w/ 1,148 SX. + 12 yds R.M.

Top of cement @ 6,390'

To commingle, propose to pull plr @ 7277 &
RBP @ 7295, extend thg w/ blast joints & open
sliding sleeve to tie into c/o test in plr @ 8512
and produce both zones thru thg.

2 1/8" Tubing in Packer @ 7,177'

Perf 7,220'-7,228' w/ 16 - 0.34" holes
Perf 7,238'-7,246' w/ 16 - 0.34" holes

RBP @ 7295

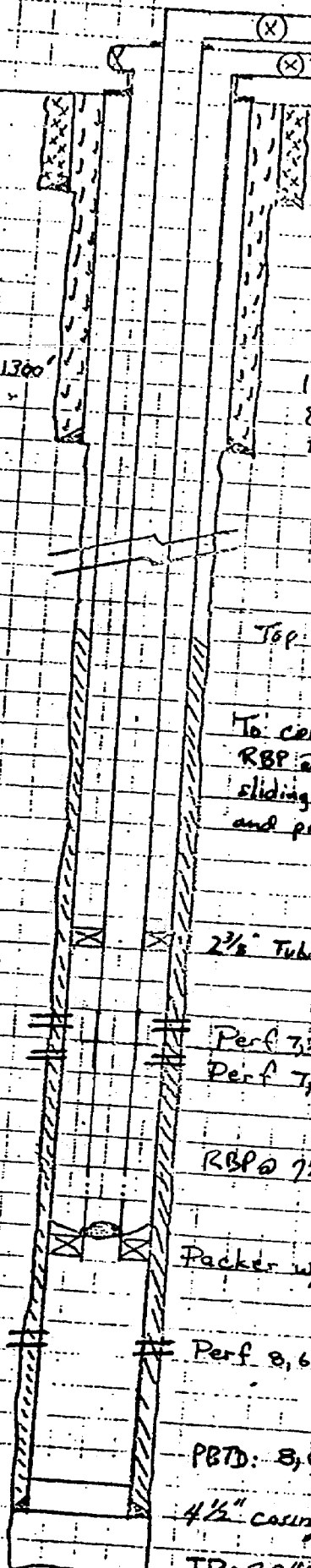
Packer w/ standing valve @ 8,542'

Perf 8,600'-8,618' w/ 72 - 0.5" holes

PBD: 8,666'

4 1/2" casing @ 8,728' w/ 570 SX

TD: 8,845'



6000 ft 7.5

A hand-drawn graph of a periodic function on grid paper. The function is a continuous, wavy line oscillating between approximately $y=1$ and $y=5$. It has a period of about 4 units. The line is drawn with a pen and is somewhat irregular.

D
Pickup

MSFL

Case
N.M. Oil Co
Examiner He

COMPANY <u>Mississippi Petroleum Corporation</u>		STATE <u>NEW MEXICO</u>	
WELL <u>KENNEDY J. R. Comm. #1</u>		FIELD <u>KENNEDY FARMS</u>	
COUNTY <u>ENDY</u>		COUNTY <u>ENDY</u>	
SECTION <u>25</u> TOWNSHIP <u>14</u> RANGE <u>26</u>		Elev. <u>3334</u>	
DATE <u>6-15-29</u>		DATE <u>6-15-29</u>	
Run No. <u>5427</u>		Run No. <u>5427</u>	
Depth-Driller <u>8335</u>		Depth-Driller <u>8335</u>	
Depth-Engineer (Sect.) <u>2300</u>		Depth-Engineer (Sect.) <u>2300</u>	
Run Log Interval <u>1445</u>		Run Log Interval <u>1445</u>	
Casing-Driller <u>54</u>		Casing-Driller <u>54</u>	
Casing-Logger <u>1445</u>		Casing-Logger <u>1445</u>	
Bt Site <u>1445</u>		Bt Site <u>1445</u>	
Type Fluid in Hole <u>5% brine - 50% oil - 45% water</u>		Type Fluid in Hole <u>5% brine - 50% oil - 45% water</u>	
Dens. <u>10.41</u>		Dens. <u>10.41</u>	
pH <u>6.6</u>		pH <u>6.6</u>	
Source of Sample <u>2.5 ft</u>		Source of Sample <u>2.5 ft</u>	
Run @ Meas. Temp. <u>13</u>		Run @ Meas. Temp. <u>13</u>	
Run @ Meas. Temp. <u>13</u>		Run @ Meas. Temp. <u>13</u>	
Run @ Meas. Temp. <u>13</u>		Run @ Meas. Temp. <u>13</u>	
Spouts Am'l Rec'd <u>1</u>		Spouts Am'l Rec'd <u>1</u>	
Run @ BHT <u>0.65</u>		Run @ BHT <u>0.65</u>	
Circulation Stopped <u>1400</u>		Circulation Stopped <u>1400</u>	
Circulation on Bottom <u>2.5 ft</u>		Circulation on Bottom <u>2.5 ft</u>	
Max. Rec. Temp. <u>124</u>		Max. Rec. Temp. <u>124</u>	
Recorded by <u>W. H. H. H.</u>		Recorded by <u>W. H. H. H.</u>	
Witnessed by <u>W. H. H. H.</u>		Witnessed by <u>W. H. H. H.</u>	

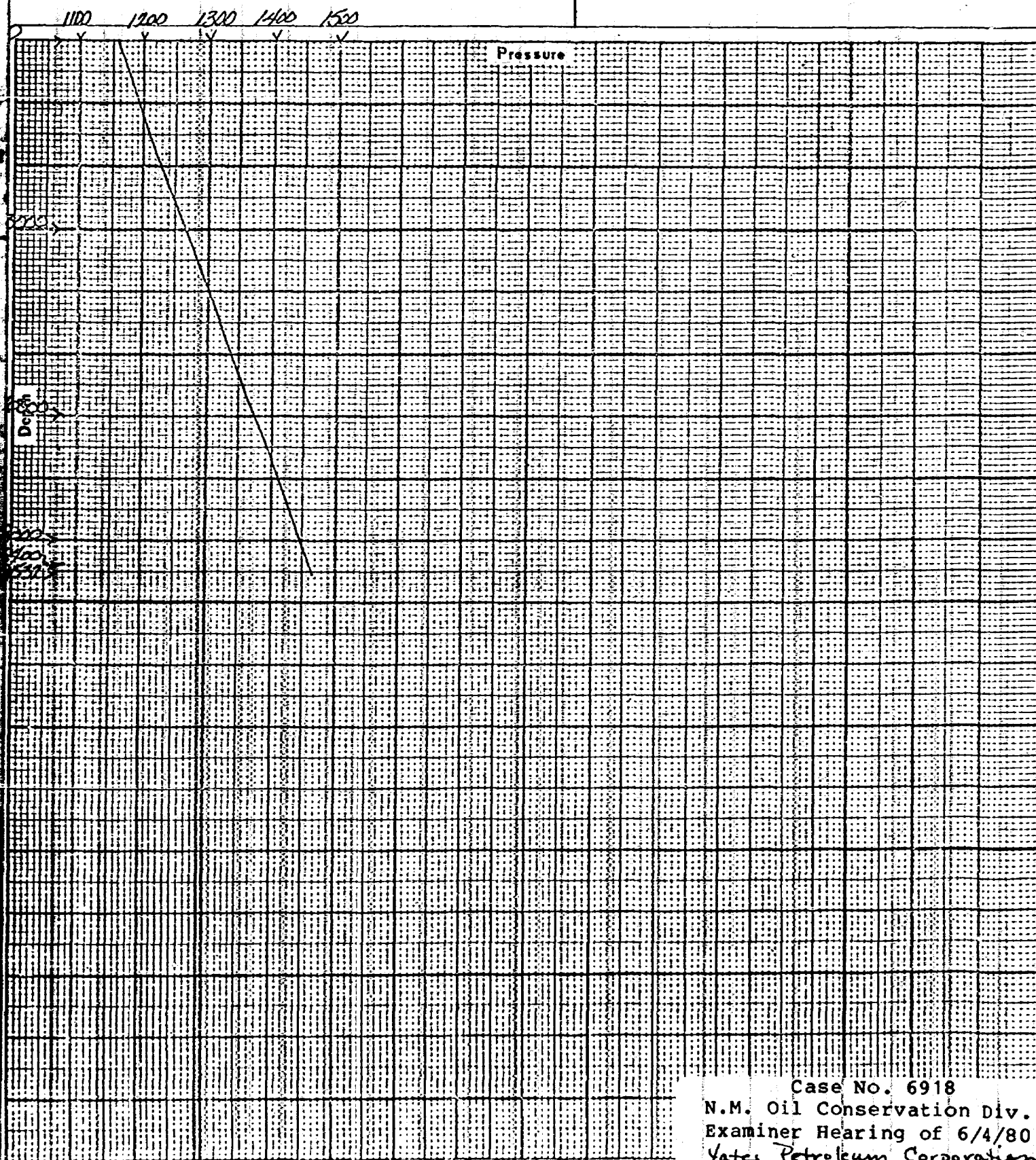
Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Vates Petroleum Corporation
Exhibit No. 3

Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR Yates Petroleum Corp.
LEASE Kennedy "JQ"
WELL NO. 1
FIELD _____
DATE 1/26/79 TIME 7:00 A.M.
STATUS Shut-in TEST DEPTH 8532 Ft.
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1158 BHP CHANGE _____
ELEV. _____ FLUID TOP None
DATUM _____ WATER TOP _____
TEMP 159° RUN BY Billy Joe
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 499

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1158 Lbs.	
3000 "	1265 "	3.5
6000 "	1370 "	3.5
8532 "	1465 "	3.8



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 5



BENNETT WIRE LINE SERVICE

P. O. BOX 787
ARTESIA, NEW MEXICO 88210
Phone 748-3281



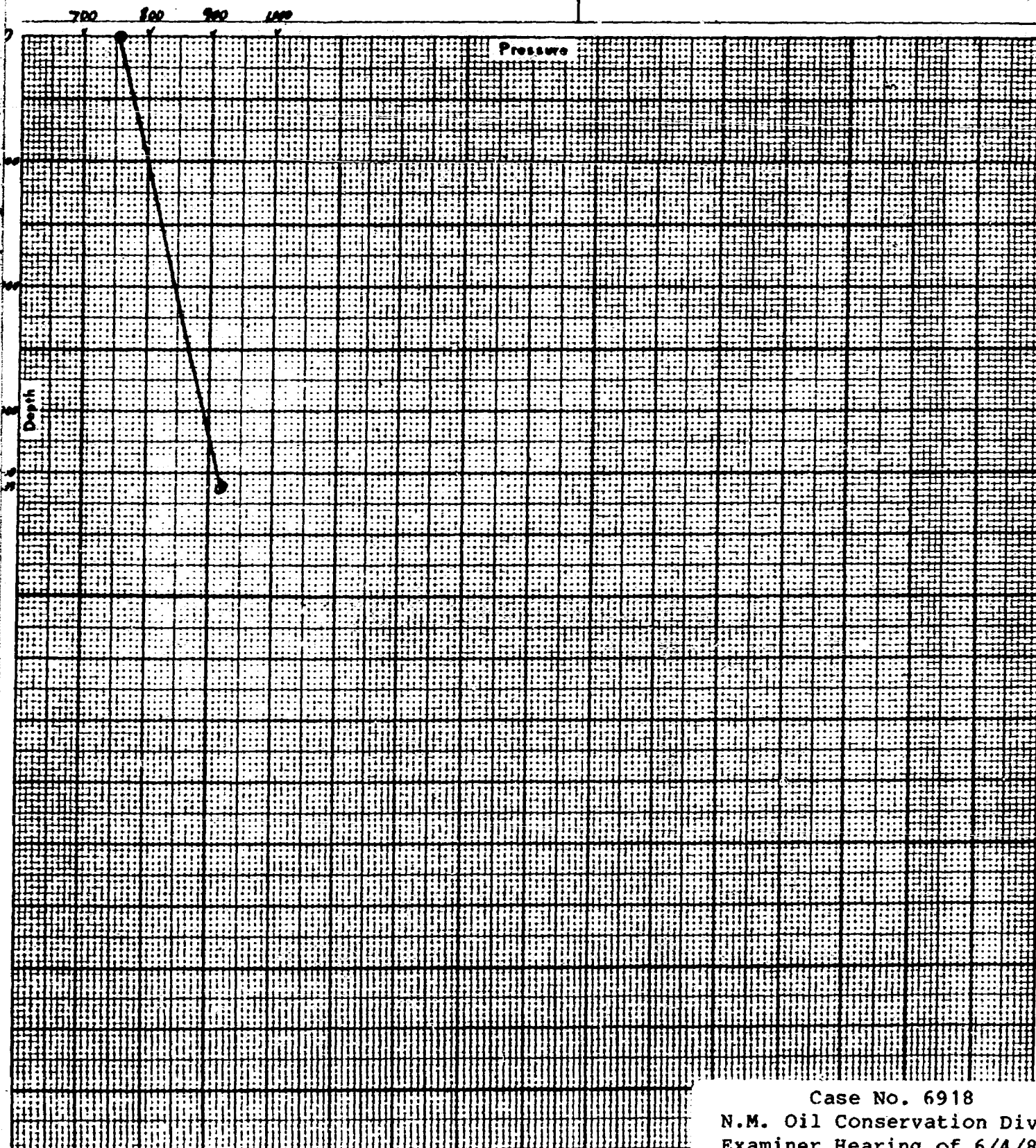
H. APPLE

BOTTOM HOLE PRESSURE SURVEY REPORT

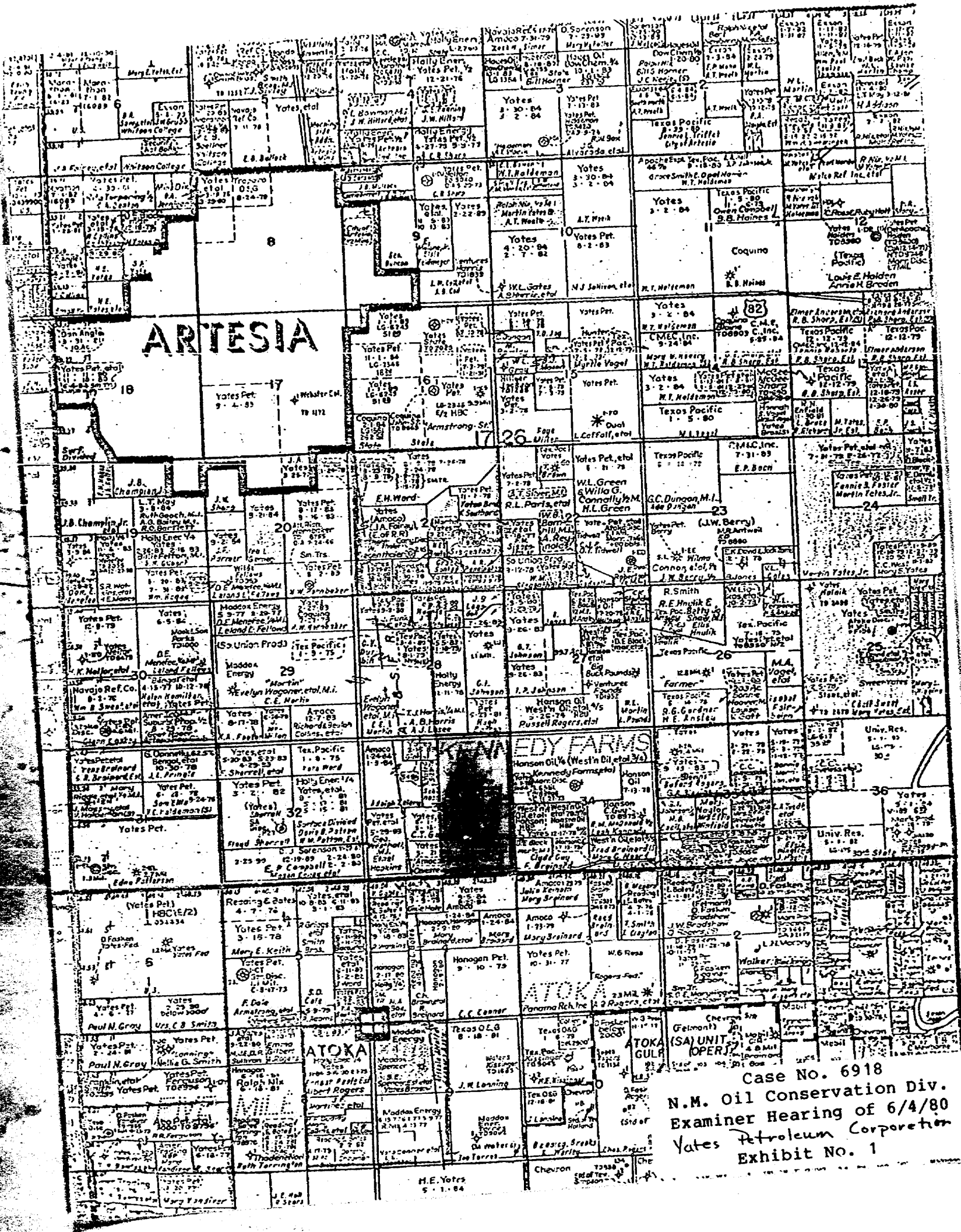
OPERATOR YATES PETROLEUM CORP
LEASE KENNEDY FARMS "JQ"
WELL NO. #1
FIELD _____
DATE 6-1-80 TIME 1900

DEPTH	PRESSURE	GRADIENT
0	756	
7,233	920	2.27

STATUS SHUT IN TEST DEPTH 7,233
TIME S.I. 1200 LAST TEST DATE 1-26-79
5-28-80 BHP LAST TEST 1,465 @ 8,532 FT
TUB. PRES. 756 BHP CHANGE -345
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 128 RUN BY B.J. CATHEY
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. RPG3# 43798, 0-7,000 I.B. RANGE



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 6



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 1

Diagrammatic Sketch of Proposed Dual Completion and Downhole Commingling

Elevation: 3,339' GL (3,252' KB)
 Spudded: 5-22-78
 Completed: 7-6-78 (Morrow)
 9-10-79 (Canyon)

Top of San Andres @ 970'

Base of Artesian Water Zone @ 1300'

Cisco @ 6772'

Kennedy Farms - Upper Penn - Gas
 Approx 80 mscf + Cond.

Morrow Clastics @ 8538'

Kennedy Farms - Morrow - Gas
 Approx. 200 mscf + Cond.

Case No. 6918
 N.M. Oil Conservation Div.
 Examiner Hearing of 6/4/80
 Yates Petroleum Corporation
 Exhibit No. 2

KENNEDY JQ Com. No. 1
 2510' ENL @ 660' FEL
 Sec. 33, T. 17S., R. 26E.
 Eddy County, N.M.

17 1/2" hole to 429'
 13 3/8" 48" Csg set @ 429', cement
 to surface w/ 350 sk.

12 1/4" hole to 1,443'
 8 5/8" 24" Res Csg set @ 1,443', cement
 to surface w/ 148 sk. + 12 yds R-M.

Top of cement @ 6,390'

To commingle, propose to pull pkr @ 7,177' &
 RBP @ 7,295', extend tbg w/ blind joints & open
 sliding sleeve to tie into 9 1/2" tool in pkr @ 8,542'
 and produce both zones thru tbg.

2 3/8" Tubing in Packer @ 7,177'

Perf 7,220'-7,228' w/ 16 - 0.34" holes
 Perf 7,238'-7,246' w/ 16 - 0.34" holes

RBP @ 7,295'

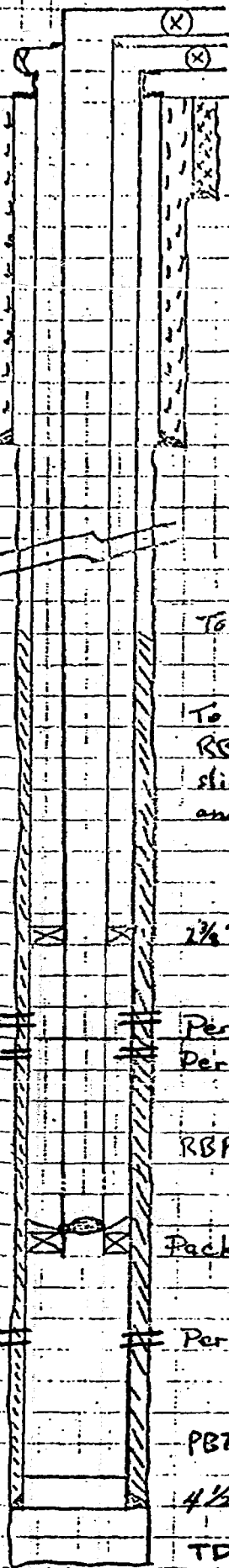
Packer w/ standing valve @ 8,542'

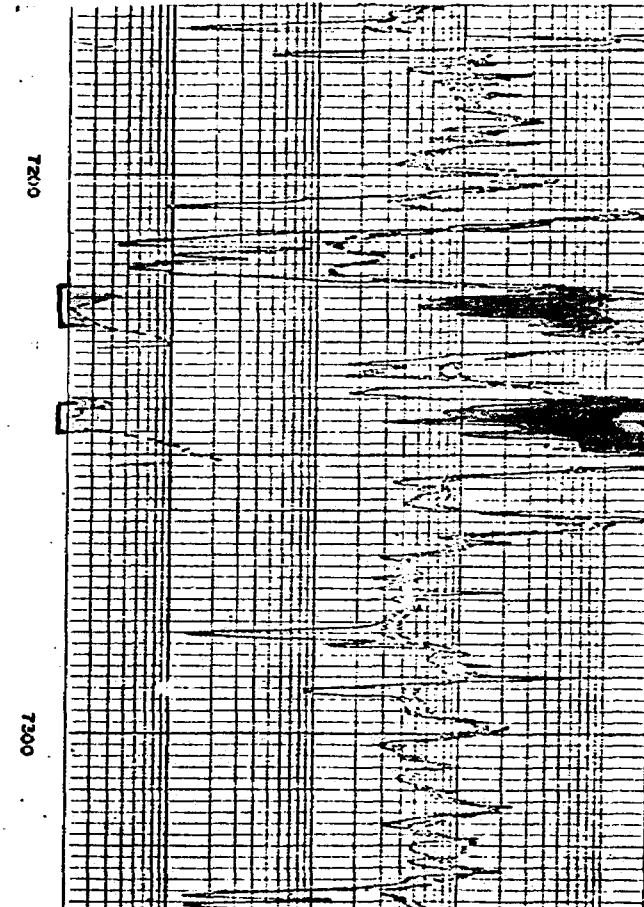
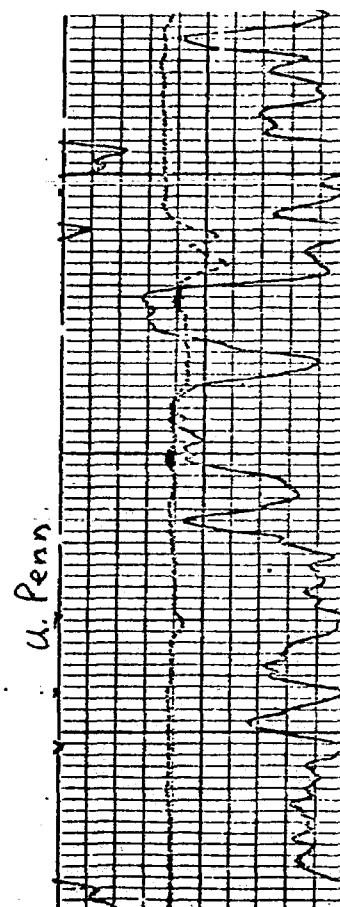
Perf 8,600'-8,618' w/ 72 - 0.5" holes

PBD: 8,666'

4 1/2" casing @ 8,728' w/ 570 sk

TD: 8,845'





Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 3

#1
DST 7204-7307 DL
30-40-60-120
45-114-100-200-300-400-500-600-700-800-900-1000-1100-1200-1300-1400-1500-1600-1700-1800-1900-2000-2100-2200-2300-2400-2500-2600-2700-2800-2900-3000-3100-3200-3300-3400-3500-3600-3700-3800-3900-4000-4100-4200-4300-4400-4500-4600-4700-4800-4900-5000-5100-5200-5300-5400-5500-5600-5700-5800-5900-6000-6100-6200-6300-6400-6500-6600-6700-6800-6900-7000-7100-7200-7300-7400-7500-7600-7700-7800-7900-8000-8100-8200-8300-8400-8500-8600-8700-8800-8900-9000-9100-9200-9300-9400-9500-9600-9700-9800-9900-10000-10100-10200-10300-10400-10500-10600-10700-10800-10900-11000-11100-11200-11300-11400-11500-11600-11700-11800-11900-12000-12100-12200-12300-12400-12500-12600-12700-12800-12900-13000-13100-13200-13300-13400-13500-13600-13700-13800-13900-14000-14100-14200-14300-14400-14500-14600-14700-14800-14900-15000-15100-15200-15300-15400-15500-15600-15700-15800-15900-16000-16100-16200-16300-16400-16500-16600-16700-16800-16900-17000-17100-17200-17300-17400-17500-17600-17700-17800-17900-18000-18100-18200-18300-18400-18500-18600-18700-18800-18900-19000-19100-19200-19300-19400-19500-19600-19700-19800-19900-20000-20100-20200-20300-20400-20500-20600-20700-20800-20900-21000-21100-21200-21300-21400-21500-21600-21700-21800-21900-22000-22100-22200-22300-22400-22500-22600-22700-22800-22900-23000-23100-23200-23300-23400-23500-23600-23700-23800-23900-24000-24100-24200-24300-24400-24500-24600-24700-24800-24900-25000-25100-25200-25300-25400-25500-25600-25700-25800-25900-26000-26100-26200-26300-26400-26500-26600-26700-26800-26900-27000-27100-27200-27300-27400-27500-27600-27700-27800-27900-28000-28100-28200-28300-28400-28500-28600-28700-28800-28900-29000-29100-29200-29300-29400-29500-29600-29700-29800-29900-30000-30100-30200-30300-30400-30500-30600-30700-30800-30900-31000-31100-31200-31300-31400-31500-31600-31700-31800-31900-32000-32100-32200-32300-32400-32500-32600-32700-32800-32900-33000-33100-33200-33300-33400-33500-33600-33700-33800-33900-34000-34100-34200-34300-34400-34500-34600-34700-34800-34900-35000-35100-35200-35300-35400-35500-35600-35700-35800-35900-36000-36100-36200-36300-36400-36500-36600-36700-36800-36900-37000-37100-37200-37300-37400-37500-37600-37700-37800-37900-38000-38100-38200-38300-38400-38500-38600-38700-38800-38900-39000-39100-39200-39300-39400-39500-39600-39700-39800-39900-40000-40100-40200-40300-40400-40500-40600-40700-40800-40900-41000-41100-41200-41300-41400-41500-41600-41700-41800-41900-42000-42100-42200-42300-42400-42500-42600-42700-42800-42900-43000-43100-43200-43300-43400-43500-43600-43700-43800-43900-44000-44100-44200-44300-44400-44500-44600-44700-44800-44900-45000-45100-45200-45300-45400-45500-45600-45700-45800-45900-46000-46100-46200-46300-46400-46500-46600-46700-46800-46900-47000-47100-47200-47300-47400-47500-47600-47700-47800-47900-48000-48100-48200-48300-48400-48500-48600-48700-48800-48900-49000-49100-49200-49300-49400-49500-49600-49700-49800-49900-50000-50100-50200-50300-50400-50500-50600-50700-50800-50900-51000-51100-51200-51300-51400-51500-51600-51700-51800-51900-52000-52100-52200-52300-52400-52500-52600-52700-52800-52900-53000-53100-53200-53300-53400-53500-53600-53700-53800-53900-54000-54100-54200-54300-54400-54500-54600-54700-54800-54900-55000-55100-55200-55300-55400-55500-55600-55700-55800-55900-56000-56100-56200-56300-56400-56500-56600-56700-56800-56900-57000-57100-57200-57300-57400-57500-57600-57700-57800-57900-58000-58100-58200-58300-58400-58500-58600-58700-58800-58900-59000-59100-59200-59300-59400-59500-59600-59700-59800-59900-60000-60100-60200-60300-60400-60500-60600-60700-60800-60900-61000-61100-61200-61300-61400-61500-61600-61700-61800-61900-62000-62100-62200-62300-62400-62500-62600-62700-62800-62900-63000-63100-63200-63300-63400-63500-63600-63700-63800-63900-64000-64100-64200-64300-64400-64500-64600-64700-64800-64900-65000-65100-65200-65300-65400-65500-65600-65700-65800-65900-66000-66100-66200-66300-66400-66500-66600-66700-66800-66900-67000-67100-67200-67300-67400-67500-67600-67700-67800-67900-68000-68100-68200-68300-68400-68500-68600-68700-68800-68900-69000-69100-69200-69300-69400

DISTANCE 8545 - 8640 D.
 30-90-90-180 75° 54' 16.3" S
 4259 26-25 3.12 202.847 26.5 55.07 1827 m.

8500
 2
 11-12-15-16
 + lower 40' in 1/2" 1/4"
 cleaned up in 1900
 TALL 3000-1200 1815 H. CO.
 found 1/4" in back (40')

Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 4

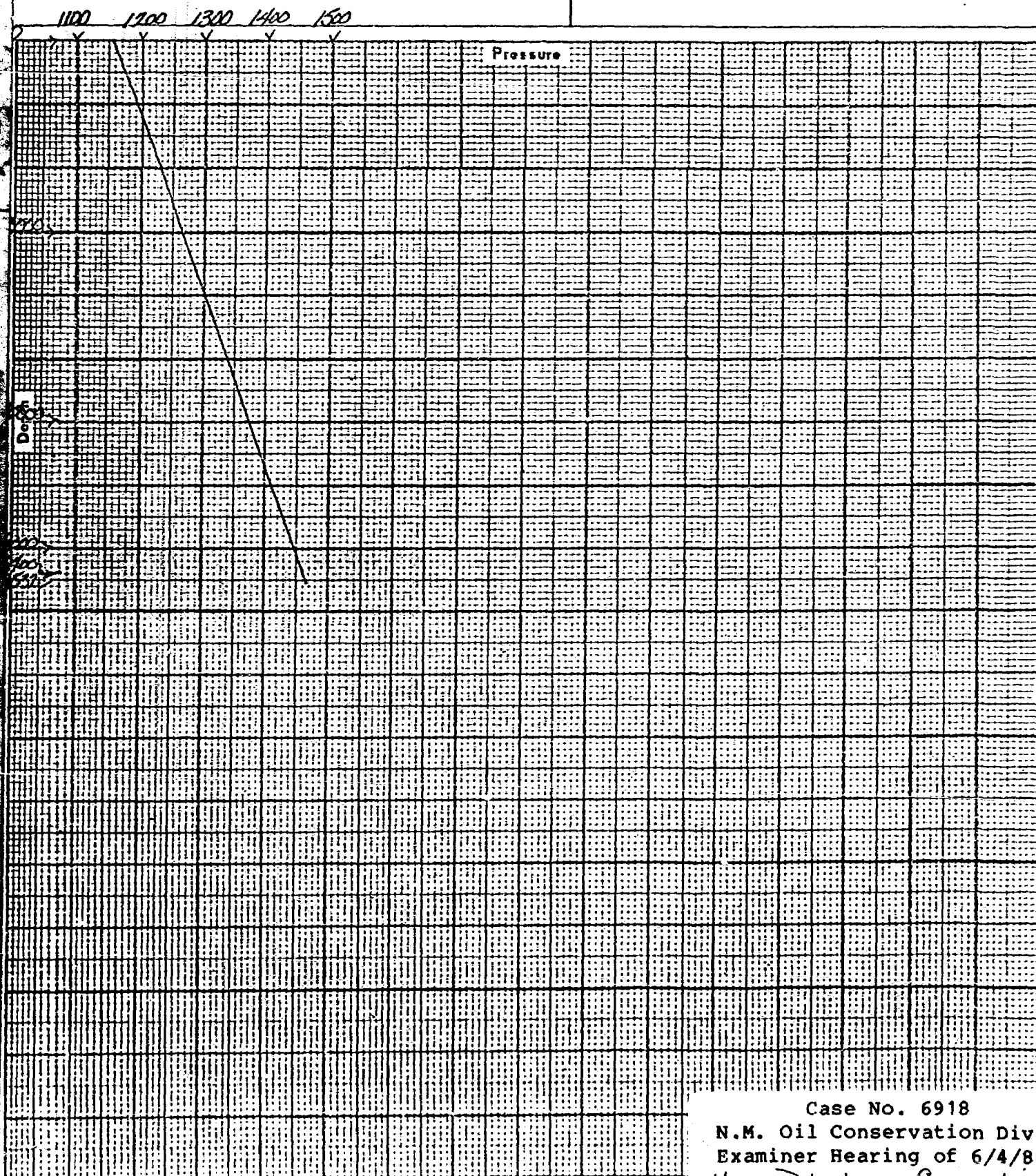
COMPANY		WELL		LOCATION		MILE		COUNTY	
COMPANY'S PETROLEUM CORPORATIONS		WELL KENNEDY J. G. COMM		FIELD KENNEDY FARMS		COUNTY EDDY		STATE NEW MEXICO	
2500 INDIAN AVE		33		17-S		26-E		OTHER SURVEY S-D-L-R-X-O	
PERMANENT DATUM: 61		Elev.: 3339		13 Ft. Above Perm. Datum		Elev. 3352		D.E. 3351	
LOG MEASURED FROM: 100		LOG MEASURED FROM: 100		LOG MEASURED FROM: 100		LOG MEASURED FROM: 100		LOG MEASURED FROM: 100	
DATE		6-15-79		ONE		ONE		ONE	
Run No.		5945		5945		5945		5945	
Depth-Driller		5945		5945		5945		5945	
Depth-Logger		5945		5945		5945		5945	
Run Log Interval		5945		5945		5945		5945	
Top Log Interval		5945		5945		5945		5945	
Casing-Driller		5945		5945		5945		5945	
Casing-Logger		5945		5945		5945		5945	
Bit Size		1 1/2		1 1/2		1 1/2		1 1/2	
Type Fluid in Hole		Flow-Salt-Water		Flow-Salt-Water		Flow-Salt-Water		Flow-Salt-Water	
Dens. - Visc.		9.41 / 3.5		9.41 / 3.5		9.41 / 3.5		9.41 / 3.5	
pH		10		10		10		10	
Source of Pump's		C-14		C-14		C-14		C-14	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean Temp.		72		72		72		72	
Time at Mean Temp.		11		11		11		11	
Source of Mean Temp.		72		72		72		72	
Run at Mean									

Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR Yates Petroleum Corp.
LEASE Kennedy "JQ"
WELL NO. 1
FIELD _____
DATE 1/26/79 TIME 7:00 A.M.
STATUS Shut-in TEST DEPTH 8532 Ft.
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1158 BHP CHANGE _____
ELEV. _____ FLUID TOP None
DATUM _____ WATER TOP _____
TEMP 159° RUN BY Billy Joe
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 499

DEPTH	PRESSURE	GRADIENT lbs./100 Ft.
0 Ft.	1158 Lbs.	
3000 "	1265 "	3.5
6000 "	1370 "	3.5
8532 "	1465 "	3.8



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation



BENNETT WIRE LINE SERVICE

P. O. BOX 787
ARTESIA, NEW MEXICO 88210
Phone 746-3281



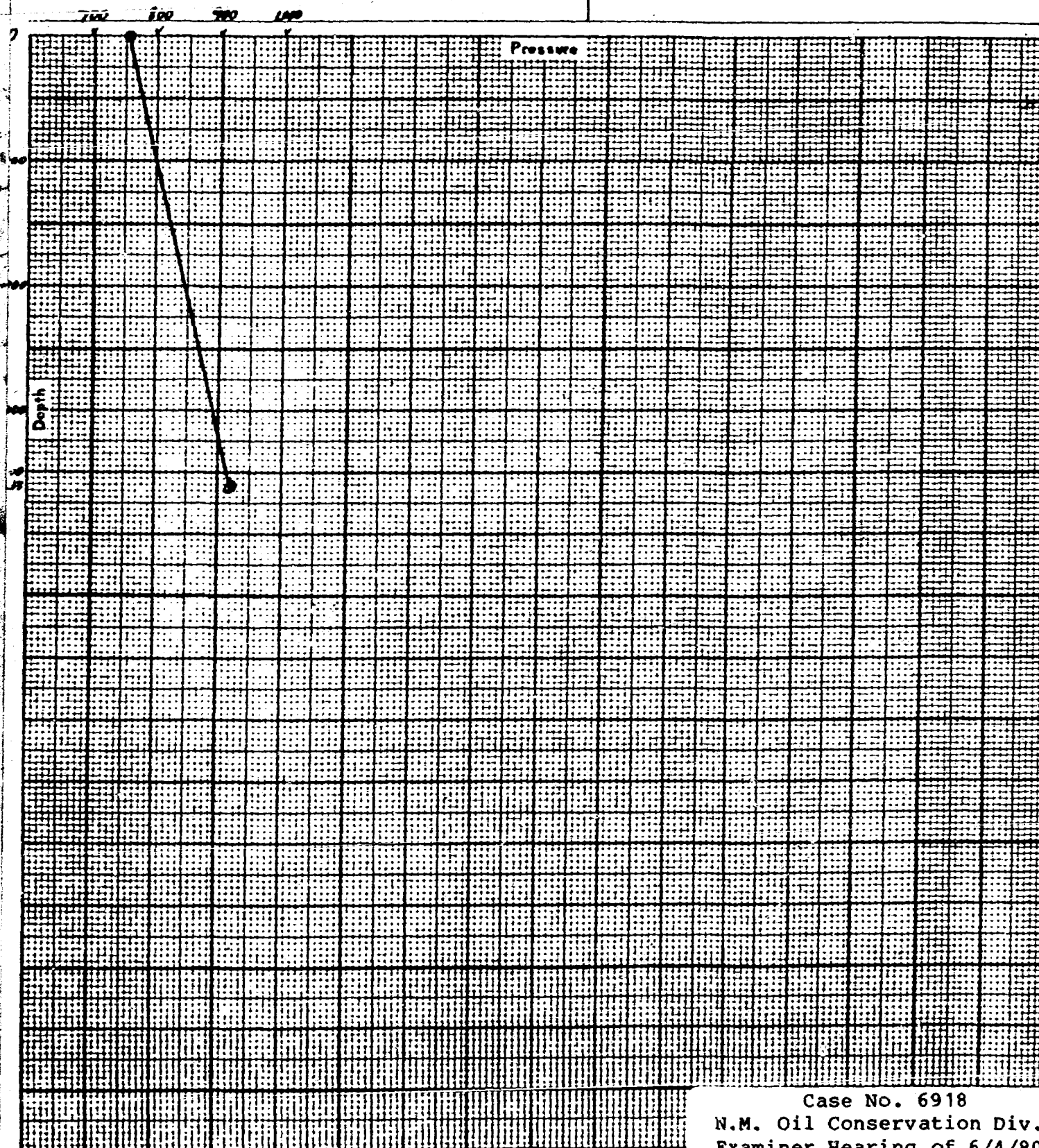
H. APPLE

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR YATES PETROLEUM CORP
LEASE KENNEDY FARMS "JQ"
WELL NO. #1
FIELD _____
DATE 6-1-80 TIME 1900

DEPTH	PRESSURE	GRADIENT
0	756	
7,233	920	2.27

STATUS SHUT IN TEST DEPTH 7,233
TIME S.I. 1200 LAST TEST DATE 1-26-79
5-28-80 BHP LAST TEST 1,465 @ 8,532 FT
TUB. PRES. 756 BHP CHANGE -945
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 128 RUN BY B.J. CATHEY
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. RPG3# 43798, 0-7,000 LB. RANGE



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 6

Diagrammatic Sketch of Proposed Dual Completion and Downhole Commingling

Elevation: 3,339' GL (3,352' KB)

Spudded: 5-22-78

Completed: 7-6-78 (Morrow)

9-10-79 (Canyon)

Top of San Andres @ 970'

Base of Artesian Water Zone @ 1360'

Cisco @ 6722

Kennedy Farms - Upper Penn - Gas

Approx. 80 miles + cond

Morrow Clastics @ 8588

Kennedy Farms - Morrow - Gas

Approx. 200 miles + cond

Case No. 6918

N.M. Oil Conservation Div.

Examiner Hearing of 6/4/80

Yates Petroleum Corporation

Exhibit No. 2

KENNEDY JQ. Com. No. 1

2510' FNL & 660' FEL

Sec. 33, T. 17S, R. 26E.

Eddy County, N.M.

12 1/4" hole to 429'

13 3/8" 48" csg set @ 429', cont'd to surface w/ 350 SX.

12 1/4" hole to 1,443'

8 5/8" 24" RPS csg set @ 1,443', cont'd to surface w/ 1,148 SX + 12 yds R.M.

Top of cement @ 6,390'

To commingle, propose to pull pks @ 7,177' & RBP @ 7,245', extend thg w/ blast joints & open sliding sleeve to tie into o/g tool in pks @ 8,542' and produce both zones thru thg.

2 3/8" Tubing in Packer @ 7,177'

Perf 7,220'-7,228' w/ 16 - 0.34" holes

Perf 7,238'-7,246' w/ 16 - 0.34" holes

RBP @ 7,245'

Packer w/ standing valve @ 8,542'

Perf 8,600'-8,618' w/ 72 - 0.5" holes

PBD: 8,666'

4 1/2" casing @ 8,728' w/ 570 SX

TD: 8,845'

Graben Rift

SKED
Philp

MSFL

Case
N.M. Oil Co
Examiner He

Case No. 6918

N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Vates Petroleum Corporation
Exhibit No. 3

120

[illegible]

U. Penn

Morton.

7200

#1

DST 1204-1307 DL

30-70-60-120

415-16" 1" ved. 225 mcd

3318-87-130-7673

3318-130-130-7673

87-130-7673

15 1/2" 120-237-120

Flowed 200 m. 120-237-120

87-130-7673

See 120-237-120

7300

0098

2

RECEIVED

Pl. 866-15/56
Plowed 110" x 120" x 1
Plowed up to 190" x 100"
Total 3000' x 120" x 100"
Plowed 110" x 120" x 1

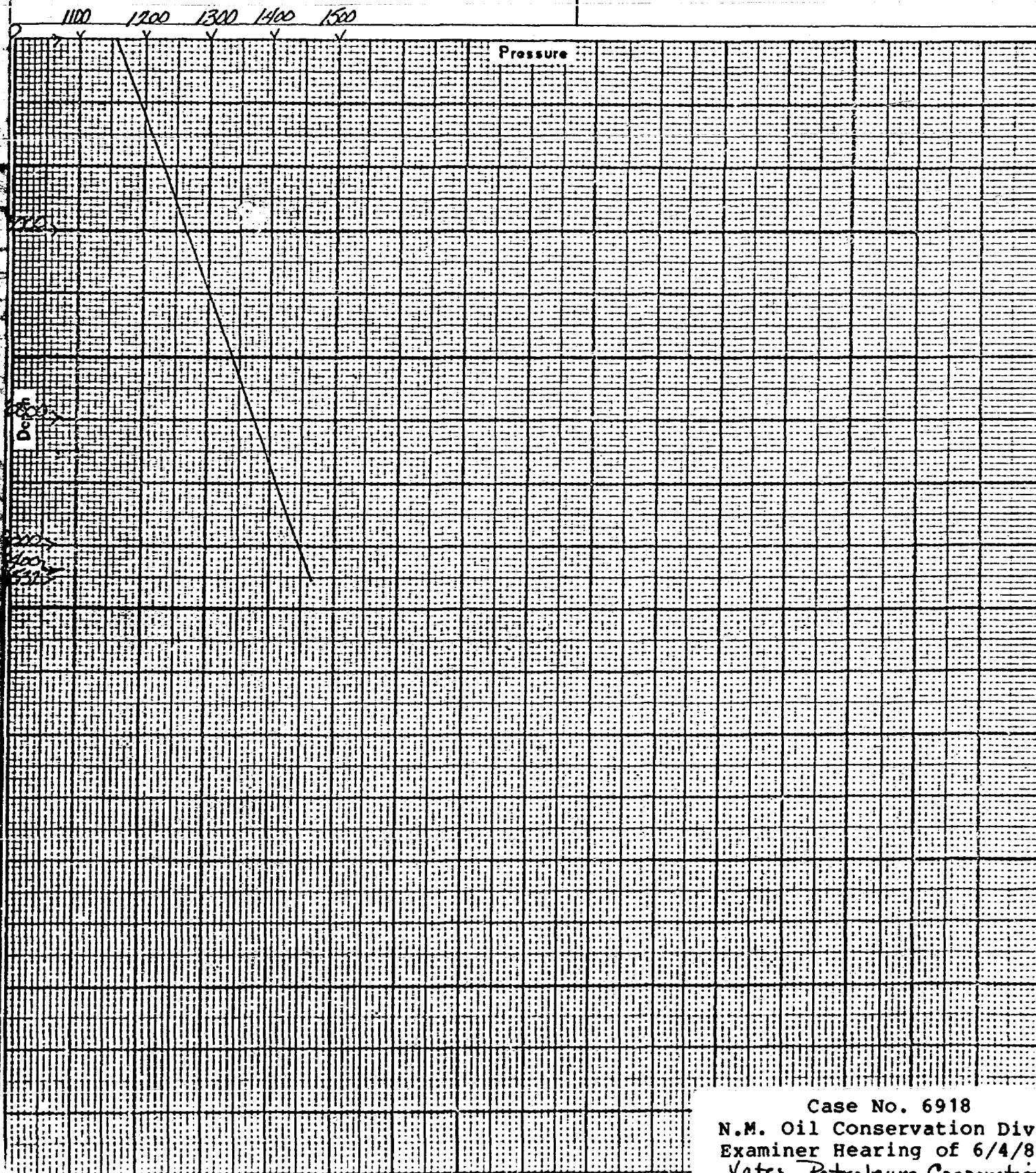
Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 4

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR Yates Petroleum Corp.
LEASE Kennedy "JQ"
WELL NO. 1
FIELD _____
DATE 1/26/79 TIME 2:00 A.M.
STATUS Shut-in TEST DEPTH 8532 Ft.
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1158 BHP CHANGE _____
ELEV. _____ FLUID TOP None
DATUM _____ WATER TOP _____
TEMP 159° RUN BY Billy Joe
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 499

DEPTH	PRESSURE	GRADIENT lbs./100 Ft.
0 Ft.	1158 Lbs.	
3000 "	1265 "	3.5
6000 "	1370 "	3.5
8532 "	1465 "	3.8

Yates





BENNETT WIRE LINE SERVICE

P. O. BOX 787
ARTESIA, NEW MEXICO 88210
Phone 746-3281



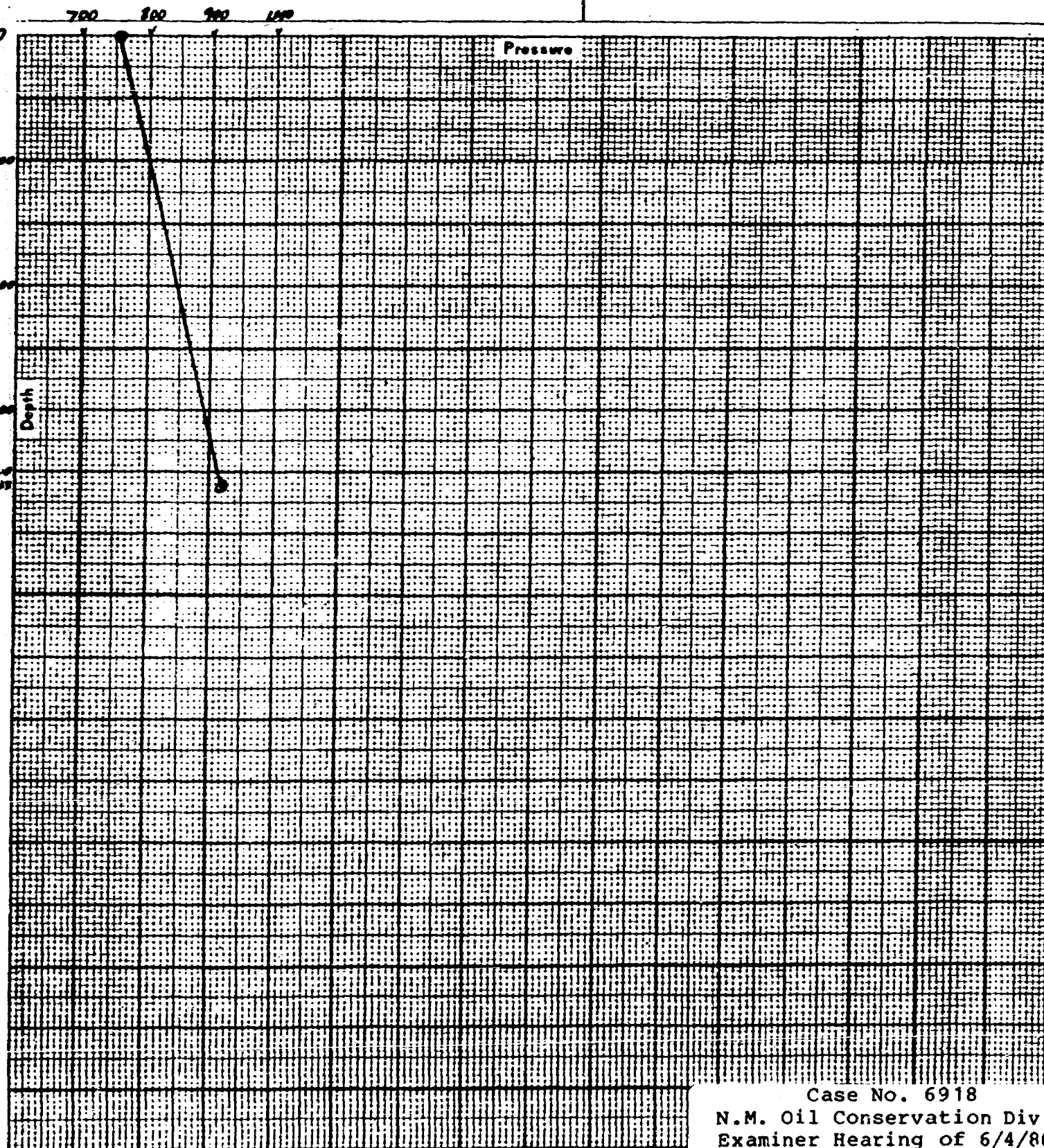
H. APPLE

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR YATES PETROLEUM CORP
LEASE KENNEDY FARMS "JQ"
WELL NO. #1
FIELD _____
DATE 6-1-80 TIME 1900
STATUS SHUT IN TEST DEPTH 7.233
TIME S.I. 1200 LAST TEST DATE 1-26-79
5-28-80 BHP LAST TEST 1,465 @ 8,532 FT
TUB. PRES. 756 BHP CHANGE -345
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 128 RUN BY B.J. CATHEY
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. RPG3# 43798, 0-7,000 LB. RANGE

DEPTH	PRESSURE	GRADIENT
0	756	
7,233	920	2.27

Penn



Case No. 6918
N.M. Oil Conservation Div.
Examiner Hearing of 6/4/80
Yates Petroleum Corporation
Exhibit No. 6

Docket No. 17-80

Dockets Nos. 19-80 and 20-80 are tentatively set for June 25 and July 9, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - JUNE 5, 1980

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

CASE 6927: Application of Doyle Hartman for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 24, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 24. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6928: Application of ARCO Oil and Gas 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 S/2 of Section 24, Township 17 South, Range 28 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 16-80

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 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:

CASE 6803: (Continued from April 23, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6906: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 39 located in Unit C of Section 15, Township 24 South, Range 37 East, to produce oil from the Fowler-Upper Yaso and Fowler-Drinkard Pools thru parallel strings of tubing.

CASE 6907: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Myers B Federal Well No. 28 located in Unit M of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalnat and Langlie Mattix Pools thru parallel strings of tubing.

CASE 6908: Application of Estoril Producing Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry State Well No. 1, a Pennsylvanian test to be drilled 660 feet from the North and East lines of Section 22, Township 23 South, Range 34 East, Antelope Ridge Field, the N/2 of said Section 22 to be dedicated to the well.

CASE 6909: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Largo-Gallup production in the wellbore of its Rincon Unit Well No. 164 located in Unit L of Section 2, Township 26 North, Range 7 West.

CASE 6886: (Continued from May 21, 1980, Examiner Hearing)

Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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 6910: Application of Grace Petroleum Corporation for four compulsory poolings, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying four 40-acre proration units, being the SE/4 NE/4, the SE/4 NW/4, and the NW/4 NW/4 of Section 28, and the SW/4 SE/4 of Section 29, all in Township 24 North, Range 7 West, 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, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6911: Application of Grace Petroleum Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the NE/4 NW/4 of Section 11, Township 23 North, Range 7 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6912: Application of Southland Royalty Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State "14" Comm. Well No. 1 located in Unit E of Section 14, Township 19 South, Range 29 East, Turkey Track Field, to produce gas from the Morrow and Atoka formations thru tubing and the casing-tubing annulus, respectively

CASE 6913: Application of Kerr-McGee Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State F Well No. 14 to be drilled 1310 feet from the North line and 1330 feet from the West line of Section 2, Township 8 South, Range 33 East, Chaveroo-San Andres Pool.

CASE 6914: Application of Wilson Oil Company for a non-standard proration unit and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to its State JD Well No. 1 at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 29.

CASE 6915: Application of Jake L. Hamon for a non-standard gas proration unit and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 8, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 8.

CASE 6916: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.

CASE 6917: Application of Yates Petroleum Corporation for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Goat Roper "LP" Com. Well No. 1 located in Unit P of Section 30, Township 17 South, Range 26 East.

CASE 6918: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Penn and Morrow gas production in the wellbore of its Kennedy "JQ" Com. Well No. 1 located in Unit H of Section 33, Township 17 South, Range 26 East, Kennedy Farms Field.

CASE 6919: Application of Yates Petroleum Corporation for downhole commingling or consolidation of two pools, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Penn gas production in the wellbore of its Anderson State "CS" Com. Well No. 1-Y located in Unit G of Section 14, and its Fordinkus State "HZ" Com. Well No. 1 located in Unit G of Section 22, both in Township 18 South, Range 24 East, or, in the alternative, the consolidation of the Fordinkus-Cisco Gas Pool and the Penasco Draw Penn-Penn Gas Pool into one Permo-Penn gas pool to include the above-described wells.

CASE 6920: Application of Yates Petroleum Corporation for a dual completion and unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its 5 Mile Draw Federal Well No. 1 to produce from the Pennsylvanian and Abo formations thru the tubing and casing-tubing annulus, respectively; applicant also seeks approval for the unorthodox location of said well in the Abo formation 800 feet from the South line and 2100 feet from the East line of Section 34, Township 6 South, Range 25 East, the SE/4 of the section to be dedicated to the well.

CASE 6903: (Continued from May 21, 1980, Examiner Hearing)

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 a Pennsylvanian-Mississippian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.

CASE 6904: (Continued from May 21, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.

CASE 6921: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of Section 33. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6922: 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 E/2 of Section 24, Township 18 South, Range 28 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6923: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cayton-Austin Unit Area, comprising 960 acres, more or less, of State and fee lands in Township 14 South, Range 36 East.

CASE 6924: Application of Caribou Four Corners, Inc. for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two wells to be drilled; the first being 860 feet from the North line and 2090 feet from the West line, and the second being 910 feet from the North line and 395 feet from the West line, both in Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, the E/2 and the W/2, respectively, of the NW/4 of said Section 13 to be dedicated to the wells.

CASE 6925: Application of Caribou Four Corners, Inc. for two exceptions to Rule 306, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 306 of the Division Rules and Regulations to permit the permanent flaring of gas from its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West.

CASE 6889: (Readvertised)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 660 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6896: (Continued from May 21, 1980, Examiner Hearing)

Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

CASE 6926: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Arkansas Junction-Pennsylvanian Pool. The discovery well is Rex Alcorn Bobbi Well No. 1Y located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Avalon-Delaware Pool. The discovery well is MWJ Producing Company State GW Well No. 1 located in Unit K of Section 36, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Burton-Delaware Pool. The discovery well is J. C. Williamson TOG Federal Well No. 1 located in Unit F of Section 16, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: NW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Dog Canyon-Strawn Gas Pool. The discovery well is Harvey E. Yates Company Gates Federal Deep Well No. 1 located in Unit P of Section 6, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 6: S/2

(e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Double L-San Andres Pool. The discovery well is McClellan Oil Corporation Mark Federal Well No. 1 located in Unit I of Section 30, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 30: SE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production and designated as the Empire-Grayburg Gas Pool. The discovery well is Carl A. Schellinger West Federal Well No. 1 located in Unit G of Section 14, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 14: NE/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Hume-Morrow Gas Pool. The discovery well is Bass Enterprises Production Company Bass 36 State Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 36: W/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Lusk-Atoka Gas Pool. The discovery well is Phillips Petroleum Company Lusk Deep Unit A Com Well No. 13 located in Unit K of Section 18, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 18: S/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Milepost-Morrow Gas Pool. The discovery well is Exxon Corporation Scheidt Federal Well No. 1 located in Unit L of Section 30, Township 26 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM
Section 36: N/2 N/2 and Lots, 1, 2,
3, and 4

TOWNSHIP 26 SOUTH, RANGE 26 EAST, NMPM
Section 30: S/2
Section 31: N/2 NW/4 and Lots 3 and 4

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Turkey Track-Atoka Gas Pool. The discovery well is Tenneco Oil Company State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 10: E/2
Section 11: S/2

(k) CONTRACT the vertical limits of the East Grama Ridge-Bone Springs Pool to the interval from 10,472 feet to 10,900 feet as found on the type log for the Getty Oil Company State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, NMPM, and redesignate said pool as the East Grama Ridge-Lower Bone Springs Pool.

(l) EXTEND the Airstrip-Upper Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: W/2 SW/4
Section 26: SE/4

(m) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 33: NW/4 and N/2 S/2

(n) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4

(o) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 9: NW/4

(p) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 13: W/2
Section 14: E/2

(q) EXTEND the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 34: S/2

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 2: Lots 1 through 8

(r) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 34: NE/4

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: SW/4

- (a) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 4: All

- (t) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 29: N/2
Section 30: N/2

- (u) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2

- (v) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 8: S/2

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 17: All

- (x) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 12: W/2

- (y) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

- (z) EXTEND the Henshaw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 11: SW/4 SW/4
Section 14: S/2 and W/2 NW/4
Section 15: E/2 SE/4

- (aa) EXTEND the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 4: SE/4

- (bb) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2 NE/4

- (cc) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: W/2

- (dd) EXTEND the Logan Draw-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 19: N/2 NE/4 and SE/4 NE/4

- (ee) EXTEND the Middle Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 21: E/2 SW/4

(ff) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SW/4

(gg) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2 S/2
Section 26: S/2 SE/4 and SE/4 SW/4
Section 36: N/2 NW/4

(hh) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 17: S/2

(ii) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 25: SE/4

(jj) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 9: E/2 NE/4

(kk) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: NW/4

(ll) EXTEND the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: All

(mm) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 30: W/2

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 19, 1980

Docket No. 18-80

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:

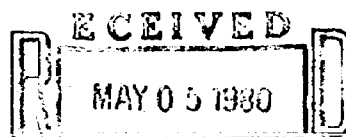
- ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties,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

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

April 30, 1980



OIL CONSERVATION DIVISION
SANTA FE

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

Case 69/8

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Dual Completion and Downhole Commingling in Eddy County, New Mexico, and three copies each of two Applications of Yates Petroleum Corporation for Dual Completion, Downhole Commingling, and Abolition and Extension of Gas Pools in Eddy County, New Mexico.

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

Thank you.

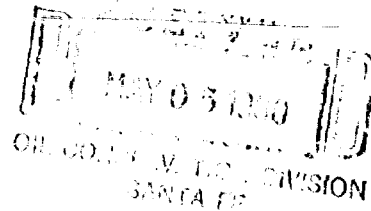
Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

A handwritten signature in cursive script, appearing to read "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 DUAL :
COMPLETION AND DOWNHOLE COMMINGLING, : CASE NO. 6918
EDDY COUNTY, NEW MEXICO :
:

APPLICATION

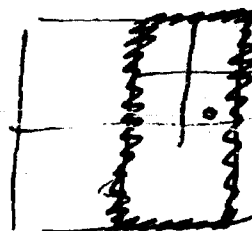
COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. That pursuant to administrative approval heretofore granted by the Division to the applicant, applicant has drilled its Kennedy "JQ" Com. No. 1 Well at a location 2,510 feet from the north line and 660 feet from the east line of Section 33, Township 17 South, Range 26 East, N.M.P.M., and has dedicated the E/2 of said Section 33 to the well. The well is located within the boundaries of Kennedy Farms Morrow and Kennedy Farms Upper Penn Gas Pools.

2. That applicant has heretofore completed said well in the Kennedy Farms Morrow through perforations between 8,600 and 8,618 feet, partially depleted said formation, and plugged back and recompleted in the Kennedy Farms Upper Penn through perforations between 7,220 feet and 7,246 feet. Applicant now proposes to commingle said Kennedy Farms Morrow and Kennedy Farms Upper Penn production through the tubing, and to allocate production from each such zone based on remaining reserves. That the downhole commingling of such well is feasible, in accordance with good conservation practices 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 permission to applicant to dually complete and commingle downhole its Kennedy "JQ" Com. No. 1 Well for the production of gas from the Kennedy Farms Morrow and Kennedy Farms Upper Penn.

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 DUAL :
COMPLETION AND DOWNHOLE COMMINGLING, :
EDDY COUNTY, NEW MEXICO :
:

CASE NO. 6918

APPLICATION

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

1. That pursuant to administrative approval heretofore granted by the Division to the applicant, applicant has drilled its Kennedy "JQ" Com. No. 1 Well at a location 2,510 feet from the north line and 660 feet from the east line of Section 33, Township 17 South, Range 26 East, N.M.P.M., and has dedicated the E/2 of said Section 33 to the well. The well is located within the boundaries of Kennedy Farms Morrow and Kennedy Farms Upper Penn Gas Pools.

2. That applicant has heretofore completed said well in the Kennedy Farms Morrow through perforations between 8,600 and 8,618 feet, partially depleted said formation, and plugged back and recompleted in the Kennedy Farms Upper Penn through perforations between 7,220 feet and 7,246 feet. Applicant now proposes to commingle said Kennedy Farms Morrow and Kennedy Farms Upper Penn production through the tubing, and to allocate production from each such zone based on remaining reserves. That the downhole commingling of such well is feasible, in accordance with good conservation practices 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 permission to applicant to dually complete and commingle downhole its Kennedy "JQ" Com. No. 1 Well for the production of gas from the Kennedy Farms Morrow and Kennedy Farms Upper Penn.

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

YATES PETROLEUM CORPORATION

By: _____
Chad Dickerson

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

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR DEAL :
COMPLETION AND DOWNHOLE COMMINGLING, :
EDDY COUNTY, NEW MEXICO :
:

CASE NO. 6918

APPLICATION

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

1. That pursuant to administrative approval heretofore granted by the Division to the applicant, applicant has drilled its Kennedy "JQ" Com. No. 1 Well at a location 2,510 feet from the north line and 660 feet from the east line of Section 33, Township 17 South, Range 26 East, N.M.P.M., and has dedicated the E/2 of said Section 33 to the well. The well is located within the boundaries of Kennedy Farms Morrow and Kennedy Farms Upper Penn Gas Pools.

2. That applicant has heretofore completed said well in the Kennedy Farms Morrow through perforations between 8,600 and 8,618 feet, partially depleted said formation, and plugged back and recompleted in the Kennedy Farms Upper Penn through perforations between 7,220 feet and 7,246 feet. Applicant now proposes to commingle said Kennedy Farms Morrow and Kennedy Farms Upper Penn production through the tubing, and to allocate production from each such zone based on remaining reserves. That the downhole commingling of such well is feasible, in accordance with good conservation practices 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 permission to applicant to dually complete and commingle downhole its Kennedy "JQ" Com. No. 1 Well for the production of gas from the Kennedy Farms Morrow and Kennedy Farms Upper Penn.

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

YATES PETROLEUM CORPORATION

By: _____

Chad Dickerson

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

Attorneys for Applicant

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. 6918

Order No. R-6383

APPLICATION OF YATES PETROLEUM CORPORATION

FOR DOWNHOLE COMMINGLING, EDDY

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S.
Nutter.

NOW, on this day of June, 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, Yates Petroleum Corporation, is
the owner and operator of the Kennedy "JQ" Com. Well No. 1,
located in Unit H of Section 33, Township 17 South,
Range 26 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle
Upper Penn and Morrow gas production
within the wellbore of the above-described well.

(4) That from the Upper Penn zone, the subject well is capable of low marginal production only.

(5) That from the Morrow zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Artesia district office of the Division any time the subject well is shut-in for 7 consecutive days.

OK

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 12 percent of the commingled production should be allocated to the Upper Penn zone, and 88 percent of the commingled production to the Morrow zone.

~~(ALTERNATE)~~

~~(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.~~

• IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Upper Penn and Morrow gas production within the wellbore of the Kennedy "JQ" Com. Well No. 1, located in Unit H of Section 33, Township 17 South, Range 26 East, Kennedy Farms Field, NMPM, / Eddy County, New Mexico.

~~(2) That the applicant shall consult with the Supervisor of the Artesia district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.~~

~~(ALTERNATE)~~

OK (2) That 12 percent of the commingled production shall be allocated to the Upper Penn zone and 88 percent of the commingled production shall be allocated to the Morrow zone.

(3) That the operator of the subject well shall immediately notify the Division's Artesia district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) 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.