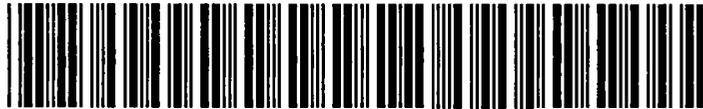




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pDD00000322002

DD - 32

YATES PETROLEUM CORPORATION



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 4, 1989

Yates Petroleum Corporation
c/o Campbell and Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attention: William F. Carr

Administrative Order DD-32(NSBHL)

Dear Mr. Carr:

Under the provisions of General Rule 111 (c), (d) and (e), Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on August 31, 1989, for authorization to directionally drill its proposed Zia "ZS" Federal Com Well No. 1, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 11 (d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation, is hereby authorized to directionally drill its Zia "ZS" Federal Com Well No. 1, the surface location of which shall be 563 feet from the South line and 2125 feet from the East line (Unit O) of Section 11, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical at a depth of approximately 4300 feet, and drilling in such a manner as to

Administrative Order DD-32(NSBHL)
Yates Petroleum Corporation
December 4, 1989
Page No. 2

bottom in the East Burton Flat Morrow Gas Pool within 50 feet of a point 2480 feet from the North line and 1980 feet from the East line of Section 14, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, being an unorthodox bottomhole gas well location for said 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 kick-off point with shot points not more than 100 feet apart; the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, 310 Old Santa Fe Trail, Room 206, Santa Fe, New Mexico 87503, and the operator shall notify the Division's Artesia District Office of the date and time said survey is to be commenced.

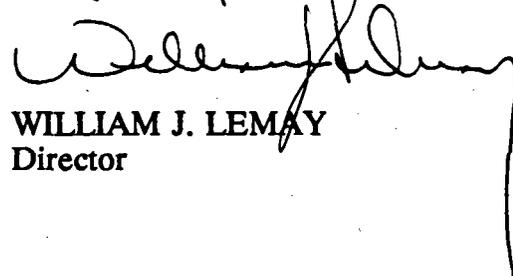
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The E/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
NM Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 26, 1990

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Paul Ragsdale

Amended Administrative Order DD-32(NSBHL)(MC)

Dear Mr. Ragsdale:

Reference is made to your applications dated April 6, April 25, and June 4, 1990 to amend Division Administrative Order DD-32, dated December 4, 1989, to show the actual bottom-hole location of the Zia "ZS" Federal Com Well No. 1 in the East Burton Flat-Morrow Gas Pool and to include provisions for multiple completion of said well with Undesignated East Burton Flat-Strawn Gas Pool production and an unorthodox (bottom-hole) location for the Strawn zone.

The Division at this time finds that:

- (1) The application has been duly filed under the provisions of
 - a) Rule 11(d) and (e) of the Division General Rules and Regulations;
 - b) Rule 112-A(III) of the Division General Rules and Regulations; and
 - c) Rule 104.F(I) of the Division General Rules and Regulations.
- (2) Satisfactory information has been provided that all offset operators have been duly notified.
- (3) The proposed dual completion will not cause waste nor impair correlative rights.

Amended Administrative Order DD-32(NSBHL)(MC)

Yates Petroleum Corporation

June 26, 1990

Page 2

(4) The mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

(5) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 have been or will be met.

(6) No objections have been received within a period exceeding the prescribed waiting time for any of said exceptions.

IT IS THEREFORE ORDERED THAT:

(1) The original Division Administrative Order DD-32, dated December 4, 1989 is hereby superseded by this order.

(2) The applicant, Yates Petroleum Corporation is hereby authorized to dually complete its Zia "ZS" Federal Com Well No. 1 located in Eddy County, New Mexico in such a manner as to permit production of gas from the East Burton Flat-Morrow Gas Pool, with perforations from 12202 feet to 12432 feet (measured depth), up the casing/tubing annulus and to produce hydrocarbons from the Undesignated East Burton Flat-Strawn Gas Pool, with perforations from 11,127 feet to 11,290 feet (measured depth) through a string of 2 7/8-inch tubing. The two producing intervals shall be isolated by a set of packers and flow is to be diverted with a cross-over chock.

PROVIDED HOWEVER THAT the applicant shall complete, operate and produce said well in accordance with the provision of Rule 112-A.

PROVIDED FURTHER THAT the applicant shall take annual packer-leakage tests to assure separation of the producing intervals within said well.

(3) Official notice of this well's actual directional survey is hereby recognized and that the subject well has been intentionally deviated in the following manner:

from a surface location of 563 feet from the South line and 2125 feet from the East line (Unit O) of Section 11, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, a vertical wellbore was drilled to a depth of approximately 4300 feet. The well was then kicked-off in a southerly direction and drilling continued into the Strawn zone until the aforementioned perforation interval was intercepted at an

Amended Administrative Order DD-32(NSBHL)(MC)
Yates Petroleum Corporation
June 26, 1990
Page 3

unorthodox bottom-hole gas well location 1840 feet from the North line and 1763 feet from the East line (Unit G) of Section 14, Township 20 South, Range 29 East, NMPM, Undesignated East Burton Flat-Strawn Gas Pool, Eddy County, New Mexico, and intercepted the East Burton Flat-Morrow Gas Pool at its aforementioned perforation interval at an unorthodox bottom-hole gas well location 2172 feet from the North line and 1799 feet from the East line (Unit G) of said Section 14.

(4) Both zones are hereby dedicated to the E/2 of said Section 14 forming a standard 320-acre gas spacing and proration unit for both pools.

(5) The operator shall forward a copy of the survey report which was included in the immediate application to the Artesia District Office of the Division.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

CAMPBELL & BLACK, P.A.
LAWYERS

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BRUCE D. BLACK
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 13, 1989

HAND-DELIVERED

Mr. Michael E. Stogner
Examiner
Oil Conservation Division
New Mexico State Land
Office Building
Santa Fe, New Mexico 87503

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NOV 13 1989
OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

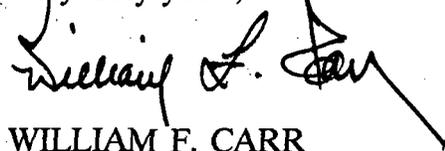
Re: Application of Yates Petroleum Corporation for Administrative Approval to Directionally Drill its Zia "ZS" Fed. Com. #1 Well, Section 11, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Dear Mike:

Pursuant to our discussion last week, I am enclosing for your information a vertical section which depicts how Yates Petroleum Corporation proposes to drill the above-referenced well.

If you need anything further from me to proceed with your consideration of this application, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Mr. Randy Patterson
Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

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