



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1331

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

November 16, 1982

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

ATTN: Mr. Richard L. Stamets

Gentlemen:

This letter is an application seeking approval for off-lease measurement of natural gas from the following five wells in Chaves County, New Mexico.

1. Albitus TH Federal No. 1  
660N + 1980E **B**  
Sec. 21, T7S, R25E
2. Bishop RY No. 1  
660S + 660E **P**  
Sec. 11, T6S, R25E
3. Bozarth UC No. 1  
660S + 660E **P**  
Sec. 22, T7S, R25E
4. Mike Harvey TR Federal No. 1  
1980S + 660E **I**  
Sec. 3, T5S, R24E
5. Thomas LN Federal No. 3  
1980N + 1980W **F**  
Sec. 14, T6S, R25E

*A 16-T7S-R25E*

*L 12-T6S-R25E*

*N 23-T7S-R25E*

*D 2-T5S-R24E*

*K 11-T6S-R25E*

CONSERVATION DIVISION

DEC 6 1982

RECEIVED

As you know, many natural gas wells in the area of the Pecos Slope Abo field have been shut-in since completion waiting on pipeline connection. Transwestern Pipeline Company, the only pipeline company serving the field, recently advised operators that only a limited number of these shut-in wells will be connected by the pipeline company. However, Transwestern has agreed to purchase gas from the remaining wells provided operators deliver the gas to existing Transwestern pipeline facilities. Transwestern will provide pipeline taps and metering

equipment for gas sales, but operators are expected to lay gathering lines from the wells to metering stations. In most cases there will be a place to tap into the existing Transwestern Pipeline system somewhere on the lease, but in a few instances where no low-pressure pipeline traverses the lease it will be necessary to take the gas off-lease for sales measurement. Such is the case for the five wells in this application.

Exhibit 1 shows basic location and completion data for the five wells. Except for off-lease gas measurement, all facets of production handling will remain the same as for existing wells in the area. Any condensate produced will be separated, stored, measured and sold at the wellsite. Transwestern will install a meter house at each measurement point and pipeline employees will do the actual metering of the natural gas produced.

Exhibit 2 presents details of the plans for off-lease measurement. There is one summary page, one general schematic diagram and then a map for each well showing the route of the flowline from well to point of off-lease gas measurement. The summary page includes information on both mineral and surface ownership for all leases involved. The gathering lines will be constructed of tubing laid on the surface. All necessary rights-of-way will be obtained before these gathering lines are installed.

Yates has received approval of off-lease measurement from the Minerals Management Service for the four wells where the Federal government owns some or all of the mineral rights. Exhibit 3 contains copies of the letters of approval from the MMS office in Roswell.

This request for off-lease measurement approval is based on economic considerations. Unless gas from the wells can somehow be delivered to existing pipeline facilities it now appears that the wells will remain shut-in for an undeterminable length of time. Prolonged shut-in would prevent recovery of expenses already paid for drilling and completing the wells. Additionally without production, royalties and production taxes will not be paid resulting in loss of public revenue.

Yates Petroleum Corporation respectfully requests your approval of this application. If additional information is required, please advise.

Sincerely,



D. F. BONEAU  
Engineering Manager

DFB/cvg

Encls.

Exhibit 1

Summary of Basic Data on the Five Wells

<u>Well</u>	<u>Spacing Unit</u>	<u>Lease (s) in Spacing Unit</u>	<u>Completion Date</u>	<u>Potential (Mcf/D)</u>	<u>Abso Perforatio (feet)</u>
Albitus TH Fed No. 1	NE/4 21-7S-25E	160A NM28304	04-18-82	480	3624-3880
Bishop RY No. 1	SE/4 11-6S-25E	160A Fee	04-19-82	845	3992-4008
Bozarth UC Com No. 1	SE/4 22-7S-25E	40A NM28162 120A Fee	05-24-82	928	3598-3856
Mike Harvey TR Fed Com No. 1	SE/4 3-5S-24E	120A NM 22614 40A LG 564	06-18-82	3713	3521-3795
Thomas LN Fed No. 3	NW/4 14-7S-25E	160A NM01263	04-04-82	4173	3723-3890

Contents of Exhibit 2

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1. Summary of Lands Involved in Off-Lease Measurement	2-2
2. Schematic Diagram of Off-Lease Measurement	2-3
3. Map of Area around Albitus TH Federal No. 1	2-4
4. Map of Area around Bishop RY No. 1	2-5
5. Map of Area around Bozarth UC No. 1	2-6
6. Map of Area around Mike Harvey TR Federal No. 1	2-7
7. Map of Area around Thomas LN Federal No. 3	2-8

Summary of Lands Involved in Off-Lease Measurements

<u>Well</u>	<u>Location</u>	<u>Lease Containing Subject Well (Surface Owner)</u>	<u>Other Leases in Same 160 Acres (Surface Owners)</u>	<u>Lease Containing Measurement Point (Surface Owner)</u>	<u>Other Lease Crossed By Gathering Line (Surface Owner)</u>
Albitus TH Fed No. 1	660N + 1980E 21-7S-25E	Federal NM 28304 (Private Surface)	None	State LG 2463 (State Surface)	None
Bishop RY No. 1	660S + 660E 11-6S-25E	Private Minerals (Private Surface)	Private Minerals* (Private Surface)	Federal NM 9982 (Private Surface)	None
Bozarth UC Com No. 1	660S + 660E 22-7S-25E	Private Minerals (Private Surface)	a) Private Minerals* (Private Surface) b) Federal NM 28162 (Federal Surface)*	Private Minerals (Private Surface) (Private Surface)	None
Mike Harvey Fed Com No. 1	1980S + 660E 3-5S-24E	Federal NM 22614 (Private Surface)	State LG 564 (Private Surface)*	State LG 569 (Private Surface)	Federal NM 22614 (Private Surface)
Thomas LN Fed No. 3	1980N & 1980W 14-6S-25E	Federal NM 10263 (Private Surface)	None	Federal NM 9813 (Private Surface)	None

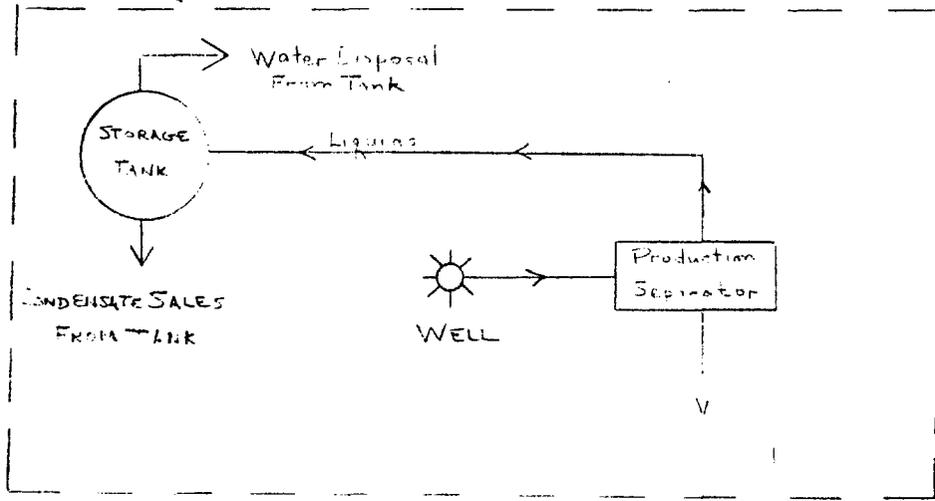
\*Gathering line does not cross this lease.

SCHEMATIC DIAGRAM

OFF-LEASE GAS MEASUREMENT

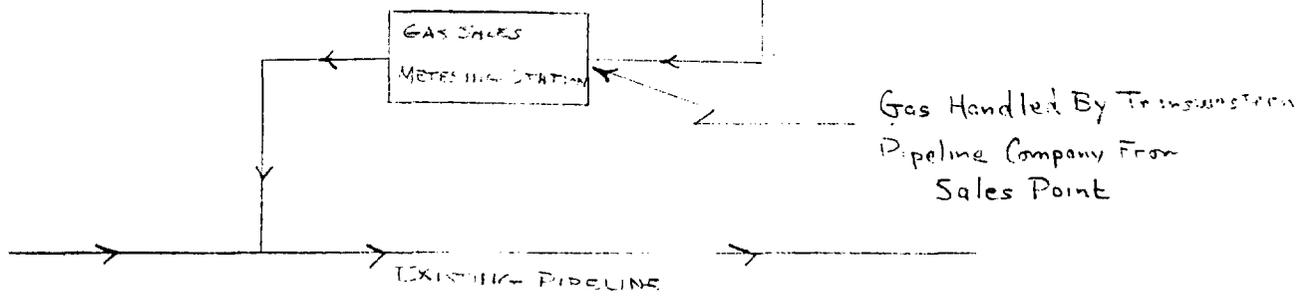
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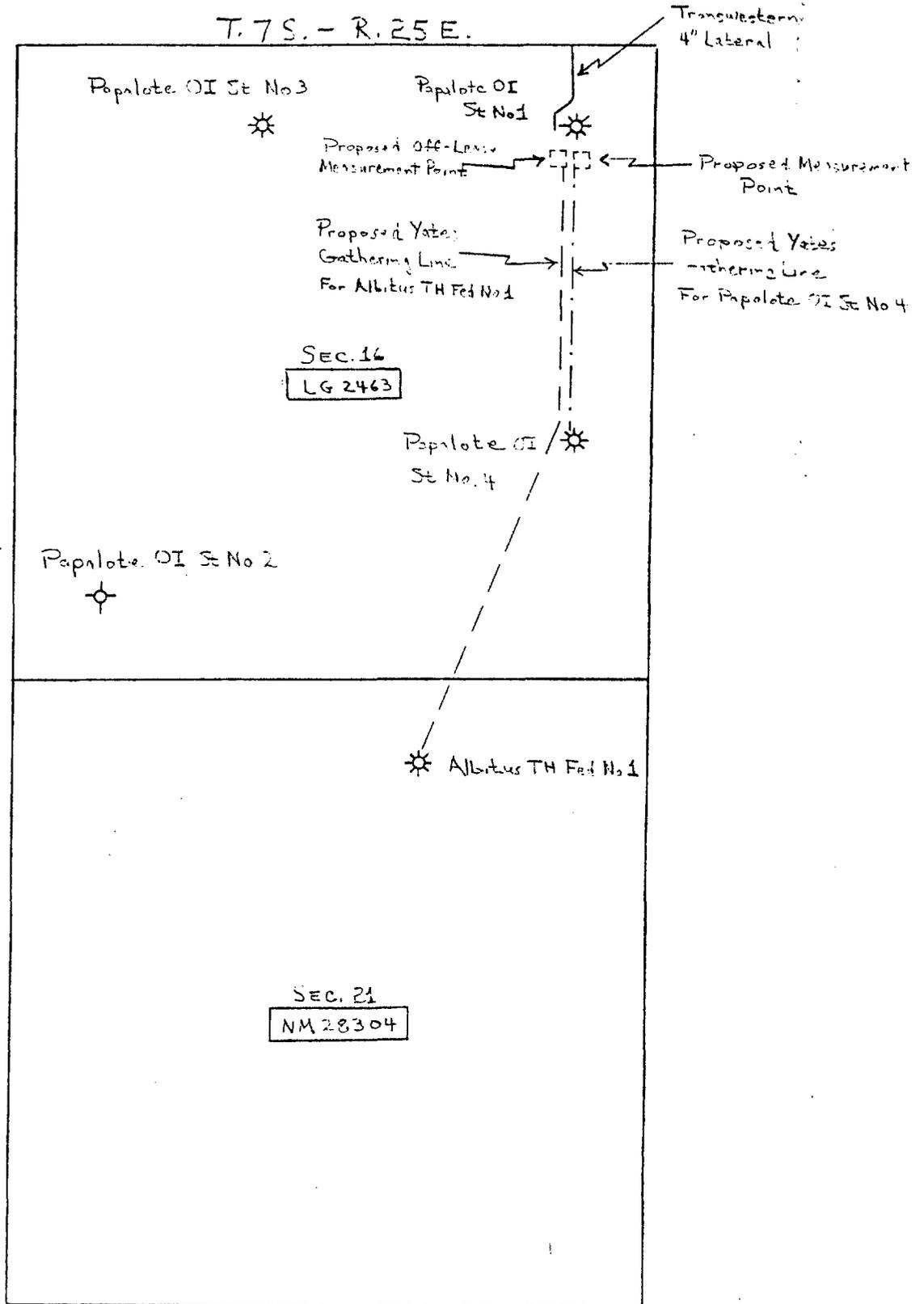
WELLSITE



Gas

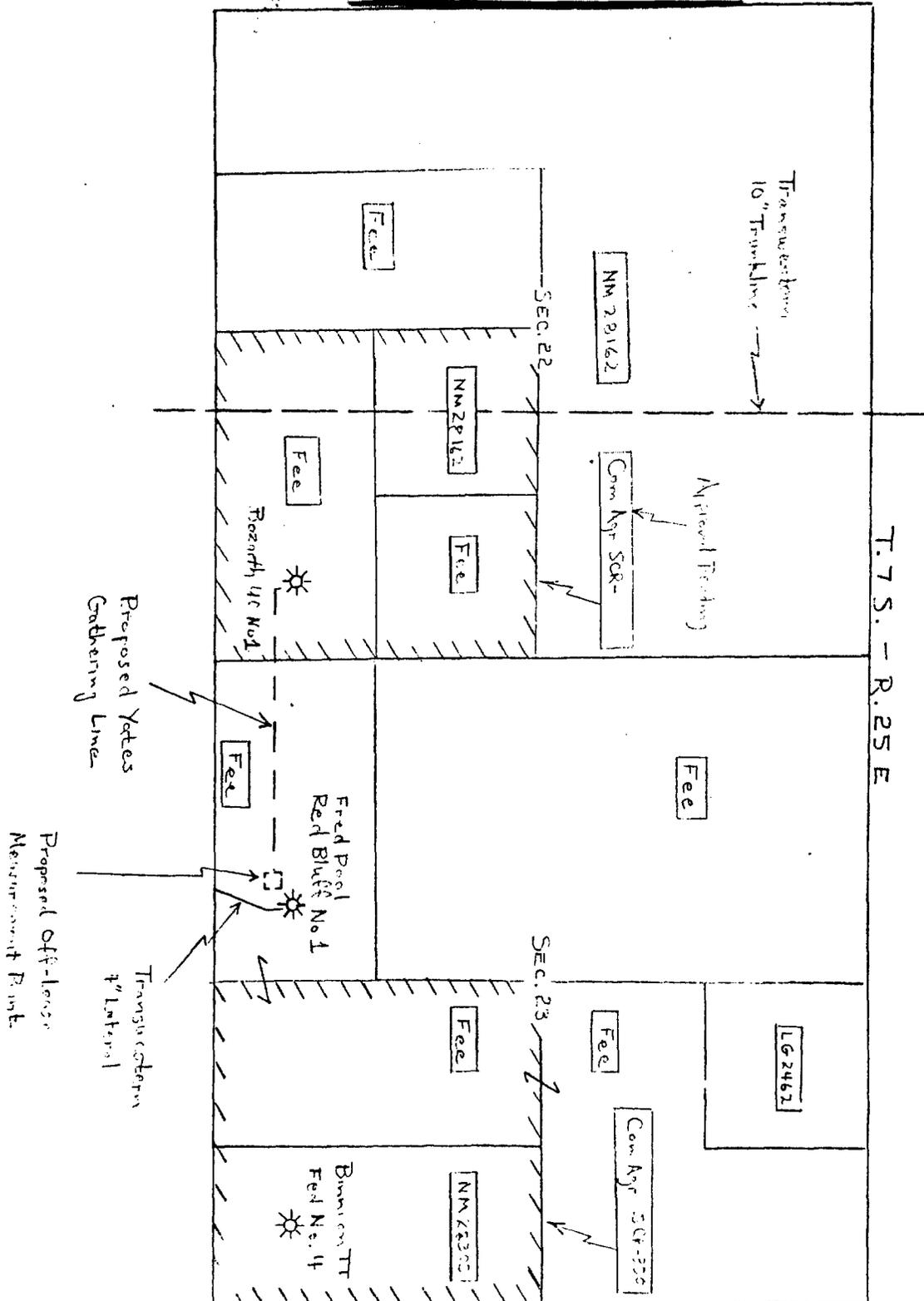
LEASE BOUNDARY



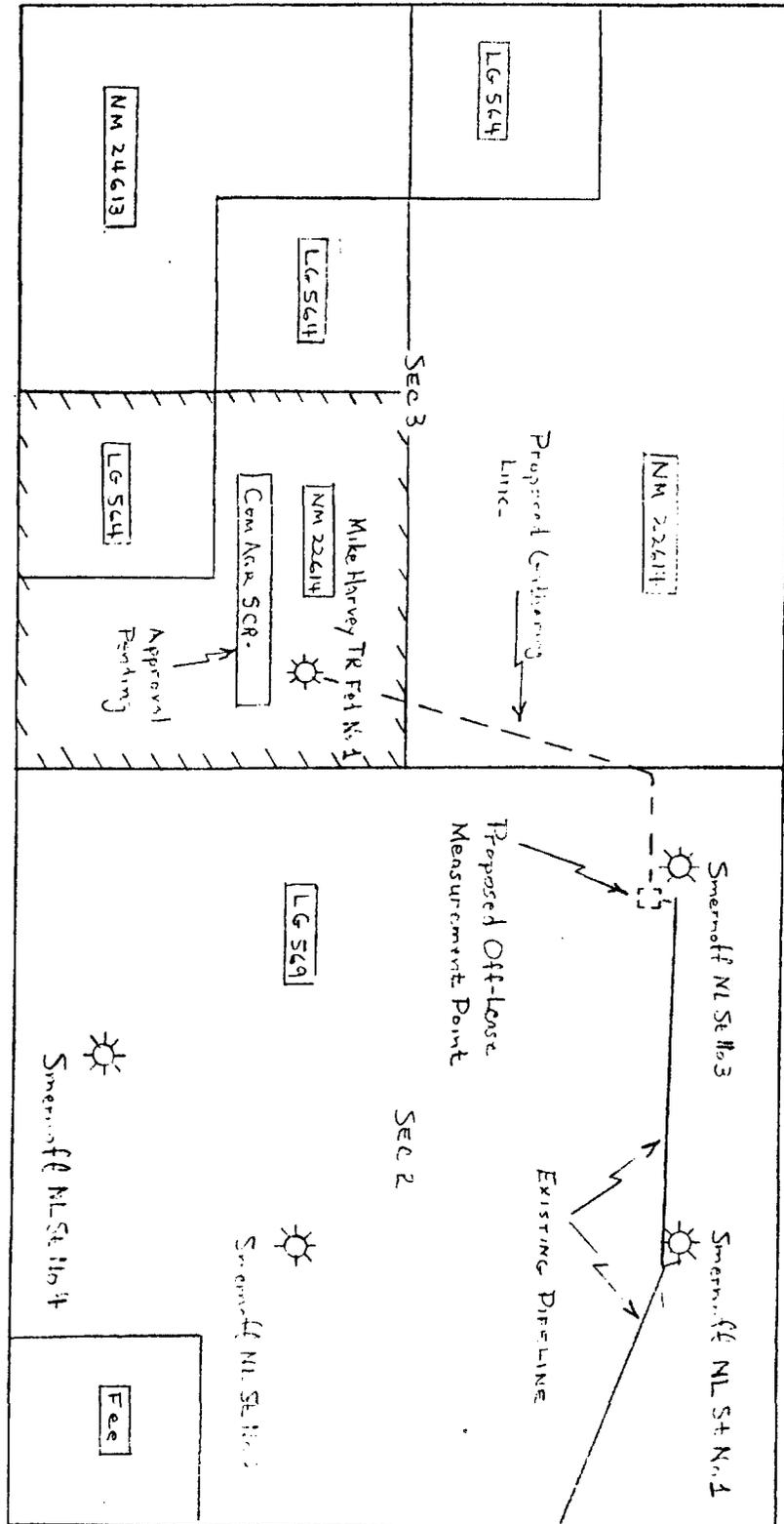




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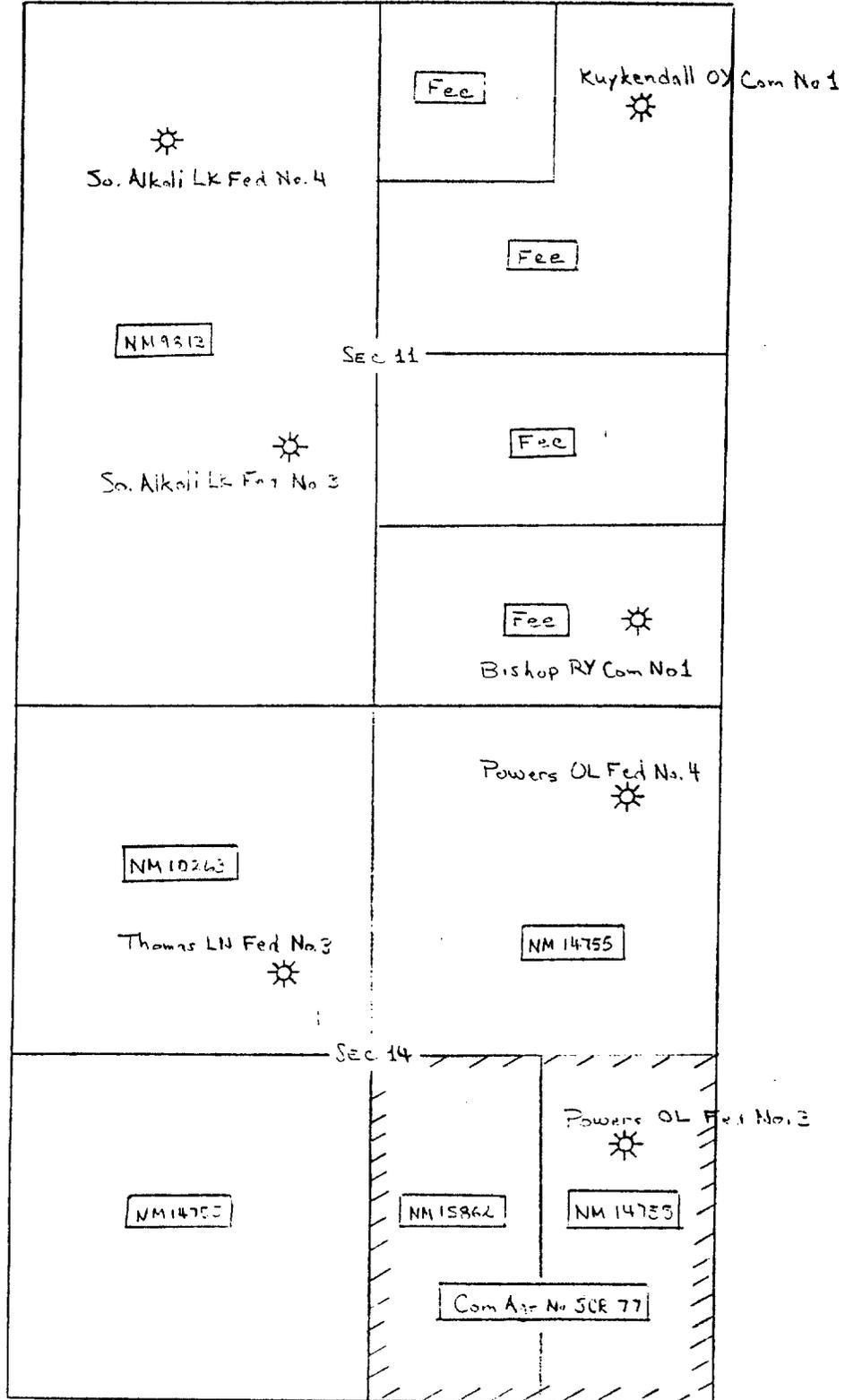


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Thomas LN Fed No. 3

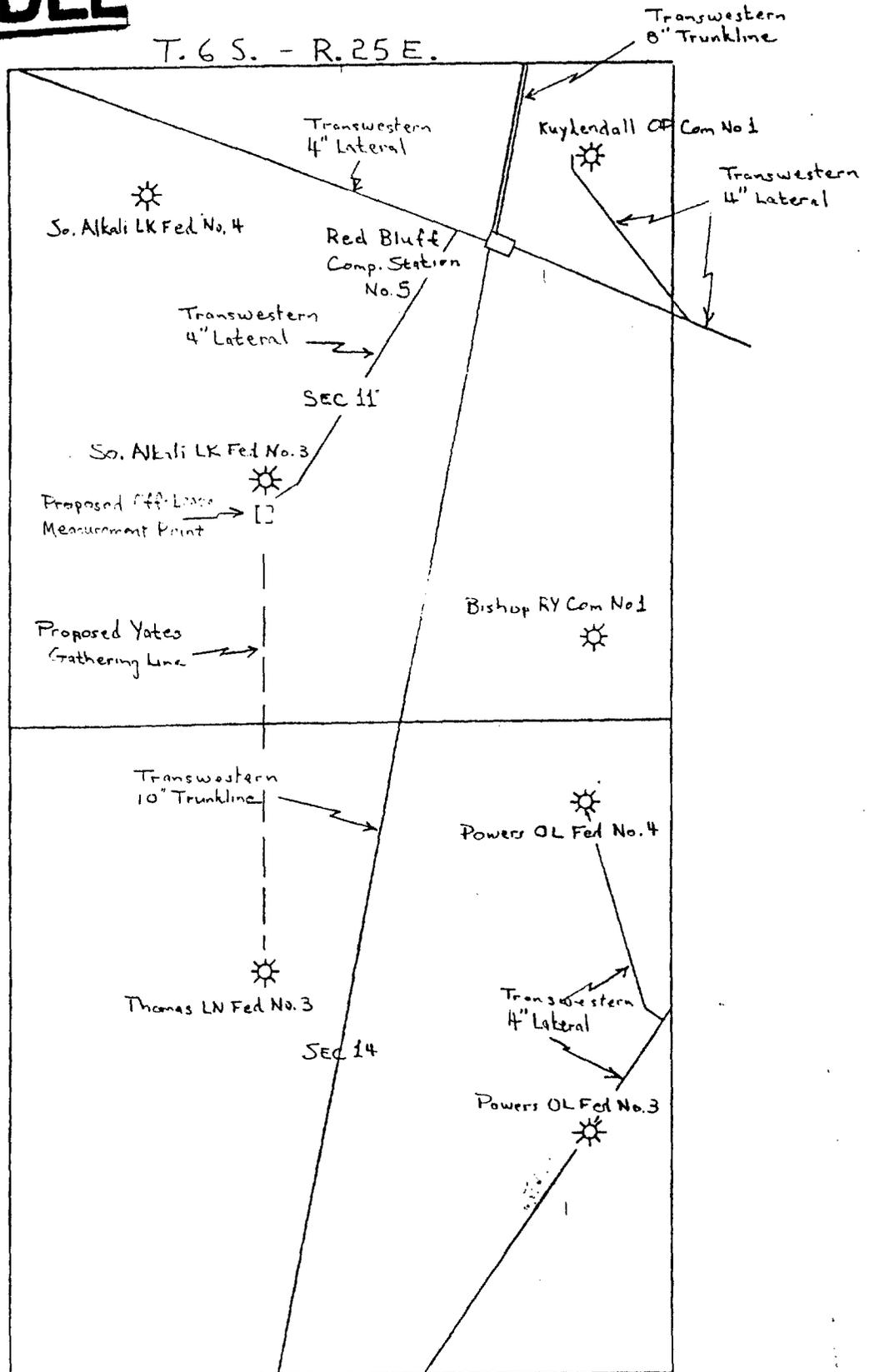
Page 2-8

T.6S. - R.25E.



**ILLEGIBLE**

T. 6 S. - R. 25 E.



Contents of Exhibit 3

	<u>Page</u>
1. MMS Approval for Albitus TH Federal No. 1	3-2
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# United States Department of the Interior

MINERALS MANAGEMENT SERVICE  
ROSWELL DISTRICT OFFICE  
POST OFFICE DRAWER 1857  
ROSWELL, NEW MEXICO 88201

October 29, 1982

*NOV 01 1982*

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, NM 88210

Attention: Ray Stall

Gentlemen:

Reference is made to your letter of October 14, 1982, whereby approval is sought for off-lease measurement of gas produced from your Albitus TH Federal well No. 1 located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  sec. 21, T. 7 S., R. 25 E., N.M.P.M., Chaves County, New Mexico.

*NE NE A*

Your application for off-lease measurement with the metering facilities to be located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  sec. 16, T. 7 S., R. 25 E., is hereby approved. Any leaks or breaks between the well head and point of measurement will be borne by the operator and royalty will be based on the preceding 30 day average rate. Such rate will be used for that period of time in which a leak or break is present.

This approval is subject to approved rights-of-ways for the gathering lines.

Sincerely yours,

*Jr* James A. Gillham  
District Supervisor  
Oil and Gas

Enclosure

District Manager, Roswell District

-2-

October 14, 1982

will be handled and where production equipment will be located. All necessary rights-of-way will be obtained before installation of gathering lines.

This application is based on economic considerations. Unless gas from the well can somehow be delivered to existing pipeline facilities it now appears that the well will remain shut-in for an undeterminable length of time. Such a prolonged shut-in would prevent recovery of expenses already paid for drilling and completing the well. Additionally, without production royalties and production taxes will not be paid resulting in a direct loss of revenue to the public. Yates Petroleum Corporation respectfully requests your approval of this application. If any additional information is required please advise.

Sincerely,

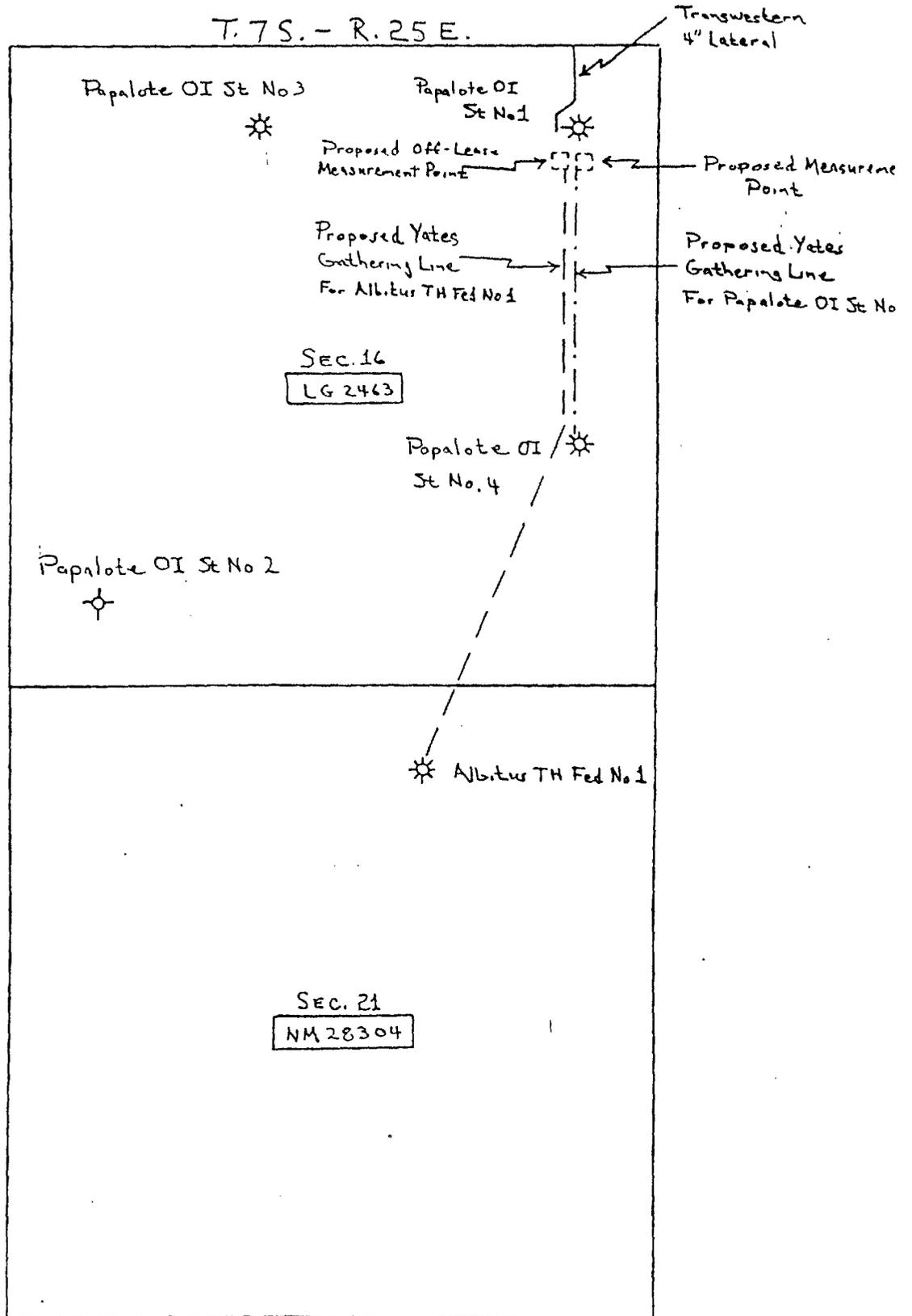
*Dave Boneau*

D. F. BONEAU  
Engineering Manager

ARS/cvg

Enclosure

T. 7 S. - R. 25 E.





CHEMATIC DIAGRAM

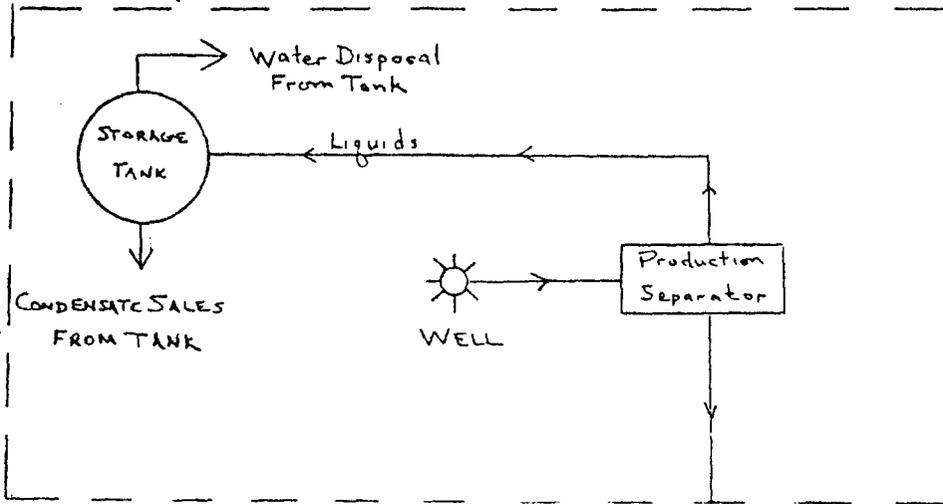


OFF-LEASE GAS MEASUREMENT

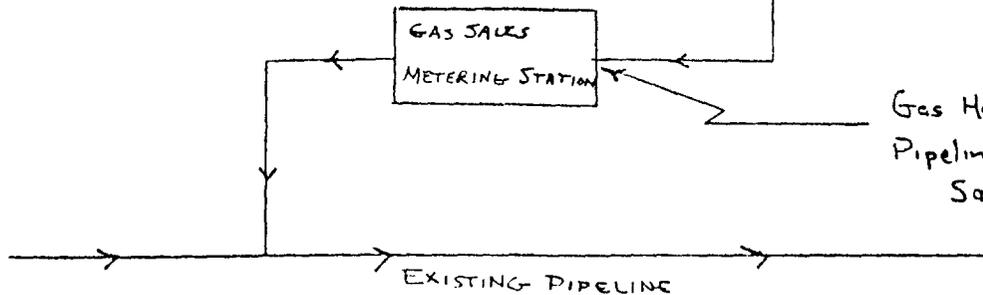
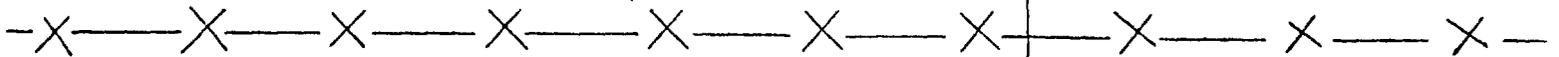
Albitus TH Federal Well No. 1

660' FNL 1980' FEL Sec. 21, T. 7S., R. 25E.

WELLSITE



LEASE BOUNDARY



Gas Handled By Transwester Pipeline Company From Sales Point

NOV 01 1982

Page 3-7



# United States Department of the Interior

MINERALS MANAGEMENT SERVICE  
ROSWELL DISTRICT OFFICE  
POST OFFICE DRAWER 1857  
ROSWELL, NEW MEXICO 88201

October 29, 1982

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, NM 88210

Attention: Ray Stall

Gentlemen:

Reference is made to your letter of October 14, 1982, whereby approval is sought for off-lease measurement of gas produced from your Bozarth UC well No. 1 located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 22, T. 7 S., R. 25 E., N.M.P.M., Chaves County, New Mexico.

Your application for off-lease measurement with the metering facilities to be located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  sec. 23, T. 7 S., R. 25 E., is hereby approved. Any leaks or breaks between the well head and point of measurement will be borne by the operator and royalty will be based on the preceding 30 day average rate. Such rate will be used for that period of time in which a leak or break is present.

This approval is subject to approved rights-of-ways for the gathering lines.

Sincerely yours,

  
James A. Gillham  
District Supervisor  
Oil and Gas

Enclosure



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

Page 3-8  
S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

October 14, 1982

District Manager, Roswell District  
Minerals Management Service  
P. O. Drawer 1857  
Roswell, New Mexico 88201

Gentlemen:

Due to reduced demand for natural gas from the Pecos Slope Abo field of North Chaves County many wells in the area have been shut-in since completion waiting on pipeline connection. Transwestern Pipeline Company, the only pipeline company serving the field, recently advised operators that only a limited number of these shut-in wells will be connected by the company. However, Transwestern has agreed to purchase gas from the remaining wells provided operators deliver the gas to existing Transwestern pipeline facilities. Transwestern will provide pipeline taps and metering equipment for gas sales, but operators are expected to lay gathering lines from the wells to metering stations. In most cases there will be a place to tap into the existing Transwestern Pipeline system somewhere on the lease, but in a few instances where no pipeline traverses the lease it will be necessary to take the gas off-lease for sales measurement. Such is the case for the Bozarth UC well No. 1 located 660 feet from the south line and 660 feet from the east line of Section 22, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

Accordingly, Yates Petroleum Corporation hereby makes application for approval of off-lease measurement of gas produced from the Bozarth UC well No. 1. The well was completed on May 24, 1982 for 928 MCFGPD from Abo perforations 3598 to 3856 feet. The SE 1/4 of Section 22 is dedicated to the well involving 40 acres in Federal lease NM 28162 and 120 acres in fee leases. Communitization agreement for the SE 1/4 of Section 22 has been submitted for approval. Except for off-lease gas measurement all other facets of production handling will remain the same as for existing wells in the area. Any condensate produced will be separated, stored, measured and sold at the wellsite.

Attached is map showing the location of the Bozarth UC Well No. 1 and the proposed point of off-lease gas measurement. This map shows basic mineral ownership including lease numbers, and communitization agreement numbers where applicable. Also attached is a schematic diagram showing how production will be handled and where production equipment will be located.

APPROVED

OCT 29 1982

JAMES A. GILLHAM

District Manager, Roswell District

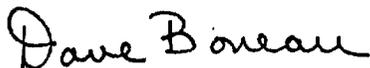
-2-

October 14, 1982

rights-of-way will be obtained before installation of gathering lines.

This application is based on economic considerations. Unless gas from the well can somehow be delivered to existing pipeline facilities it now appears that the well will remain shut-in for an undeterminable length of time. Such a prolonged shut-in would prevent recovery of expenses already paid for drilling and completing the well. Additionally, without production royalties and production taxes will not be paid resulting in a direct loss of revenue to the public. Yates Petroleum Corporation respectfully requests your approval of this application. If any additional information is required please advise.

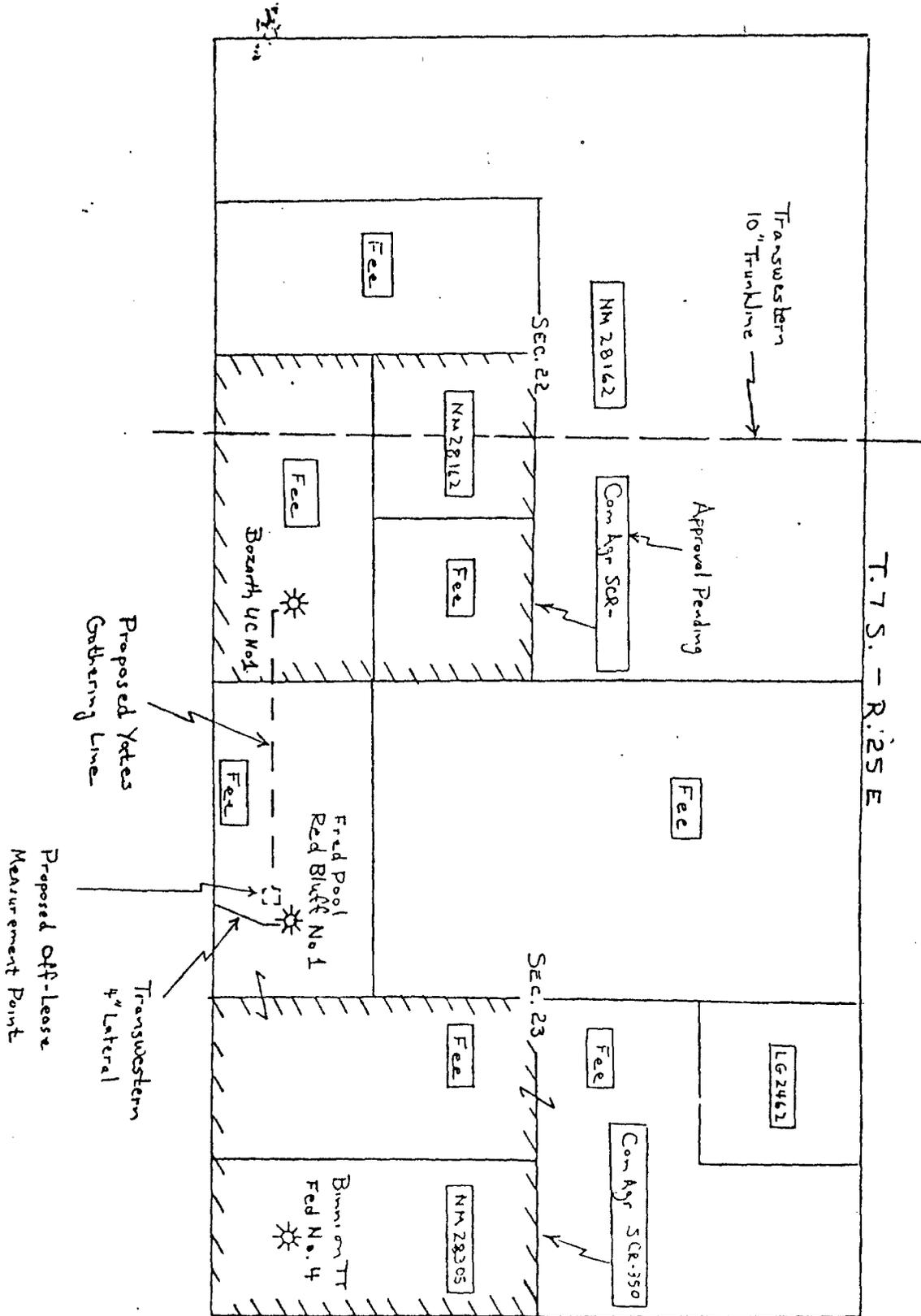
Sincerely,



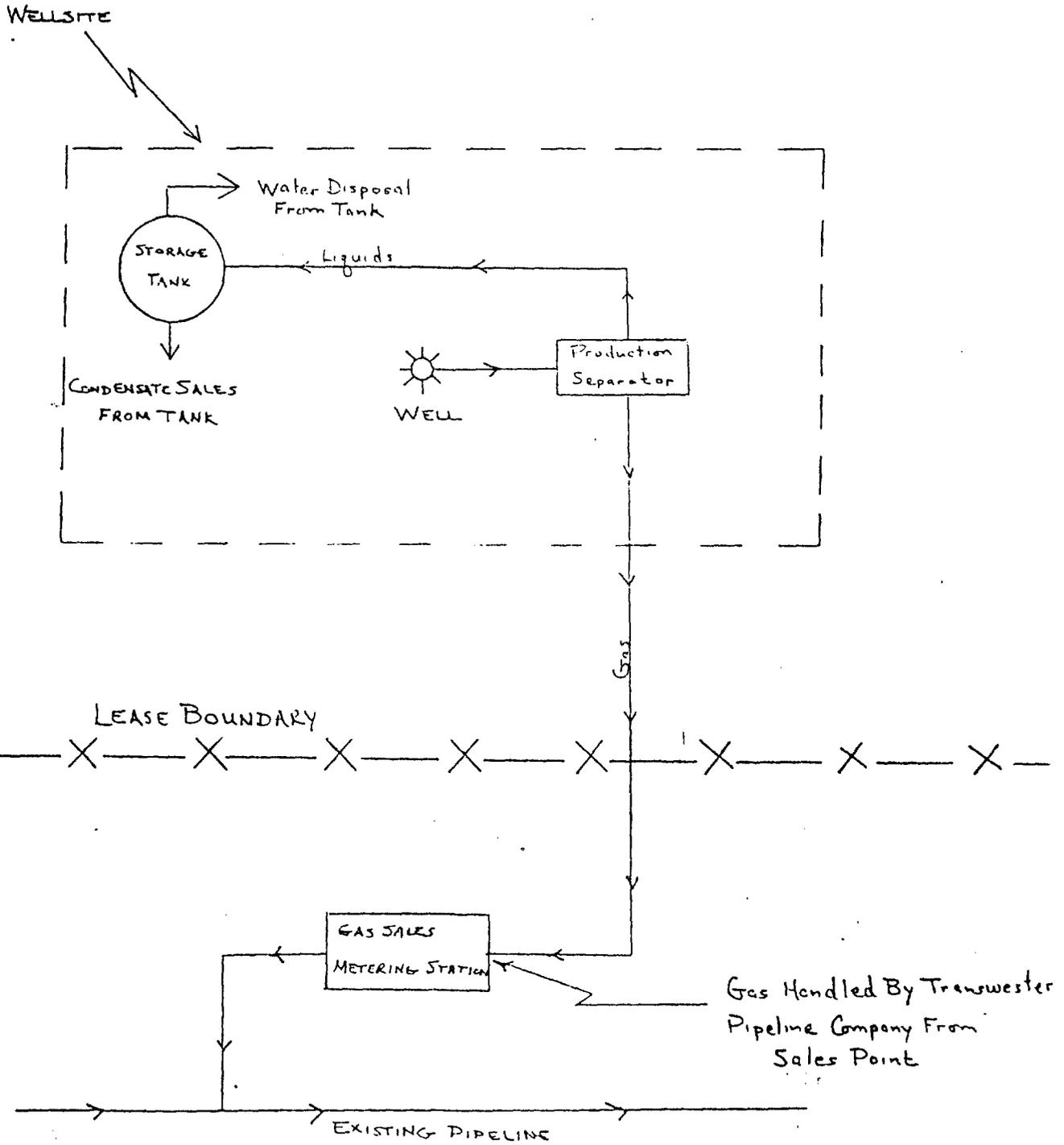
D. F. BONEAU  
Engineering Manager

ARS/cvg

Enclosure



SCHEMATIC DIAGRAM  
OFF-LEASE GAS MEASUREMENT  
Bozarth UC Well No. 1  
660' FSL 660' FEL Sec. 22, T. 7 S., R. 25 E.





# United States Department of the Interior

MINERALS MANAGEMENT SERVICE  
ROSWELL DISTRICT OFFICE  
POST OFFICE DRAWER 1857  
ROSWELL, NEW MEXICO 88201

October 29, 1982

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, NM 88210

Attention: Ray Stall

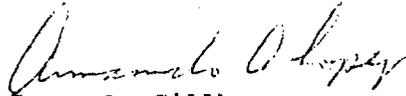
Gentlemen:

Reference is made to your letter of October 14, 1982, whereby approval is sought for off-lease measurement of gas produced from your Mike Harvey TR Federal No. 1 located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 3, T. 5 S., R. 24 E., N.M.P.M., Chaves County, New Mexico.

Your application for off-lease measurement with the metering facilities to be located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  sec. 2, T. 5 S., R. 24 E., is hereby approved. Any leaks or breaks between the well head and point of measurement will be borne by the operator and royalty will be based on the preceding 30 day average rate. Such rate will be used for that period of time in which a leak or break is present.

This approval is subject to approved rights-of-ways for the gathering lines.

Sincerely yours,

  
James A. Gillham  
District Supervisor  
Oil and Gas

Enclosure



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

Page 3-13  
S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

October 14, 1982

District Manager, Roswell District  
Minerals Management Service  
P. O. Drawer 1857  
Roswell, New Mexico 88201

Gentlemen:

Due to reduced demand for natural gas from the Pecos Slope Abo field of North Chaves County many wells in the area have been shut-in since completion waiting on pipeline connection. Transwestern Pipeline Company, the only pipeline company serving the field, recently advised operators that only a limited number of these shut-in wells will be connected by the company. However, Transwestern has agreed to purchase gas from the remaining wells provided operators deliver the gas to existing Transwestern pipeline facilities. Transwestern will provide taps and metering equipment for gas sales, but operators are expected to lay gathering lines from the wells to metering stations. In most cases there will be a place to tap into the existing Transwestern Pipeline system somewhere on the lease, but in a few instances where no pipeline traverses the lease it will be necessary to take the gas off-lease for sales measurement. Such is the case for the Mike Harvey TR Federal well No. 1 located 1980 feet from the south line and 660 feet from the east line of Section 3, Township 5 South, Range 24 East, N.M.P.M., Chaves County, New Mexico.

Accordingly, Yates Petroleum Corporation hereby makes application for approval of off-lease measurement of gas produced from the Mike Harvey TR Federal well No. 1. The well was completed on June 18, 1982, for 3713 MCFGPD from Abo perforations 3521 to 3795 feet. The SE 1/4 of Section 3 is dedicated to the well involving 120 acres in Federal lease NM 22614 and 40 acres in State lease LG564. Communitization agreement for the SE 1/4 of Section 3 has been submitted for approval. Except for off-lease gas measurement all other facets of production handling will remain the same as for existing wells in the area. Any condensate produced will be separated, stored, measured and sold at the well-site.

Attached is a map showing the location of the Mike Harvey TR Federal well No. 1 and the proposed point of off-lease gas measurement. This map shows basic mineral ownership including lease numbers, and communitization agreement numbers

APPROVED

OCT 29 1982

*J. Gillham*  
JAMES A. GILLHAM  
DISTRICT SUPERVISOR

District Manager, Roswell District

-2-

October 14, 1982

where applicable. Also attached is a schematic diagram showing how production will be handled and where production equipment will be located. All necessary rights-of-way will be obtained before installation of gathering lines.

This application is based on economic considerations. Unless gas from the well can somehow be delivered to existing pipeline facilities it now appears that the well will remain shut-in for an undeterminable length of time. Such a prolonged shut-in would prevent recovery of expenses already paid for drilling and completing the well. Additionally, without production royalties and production taxes will not be paid resulting in a direct loss of revenue to the public. Yates Petroleum Corporation respectfully requests your approval of this application. If any additional information is required please advise.

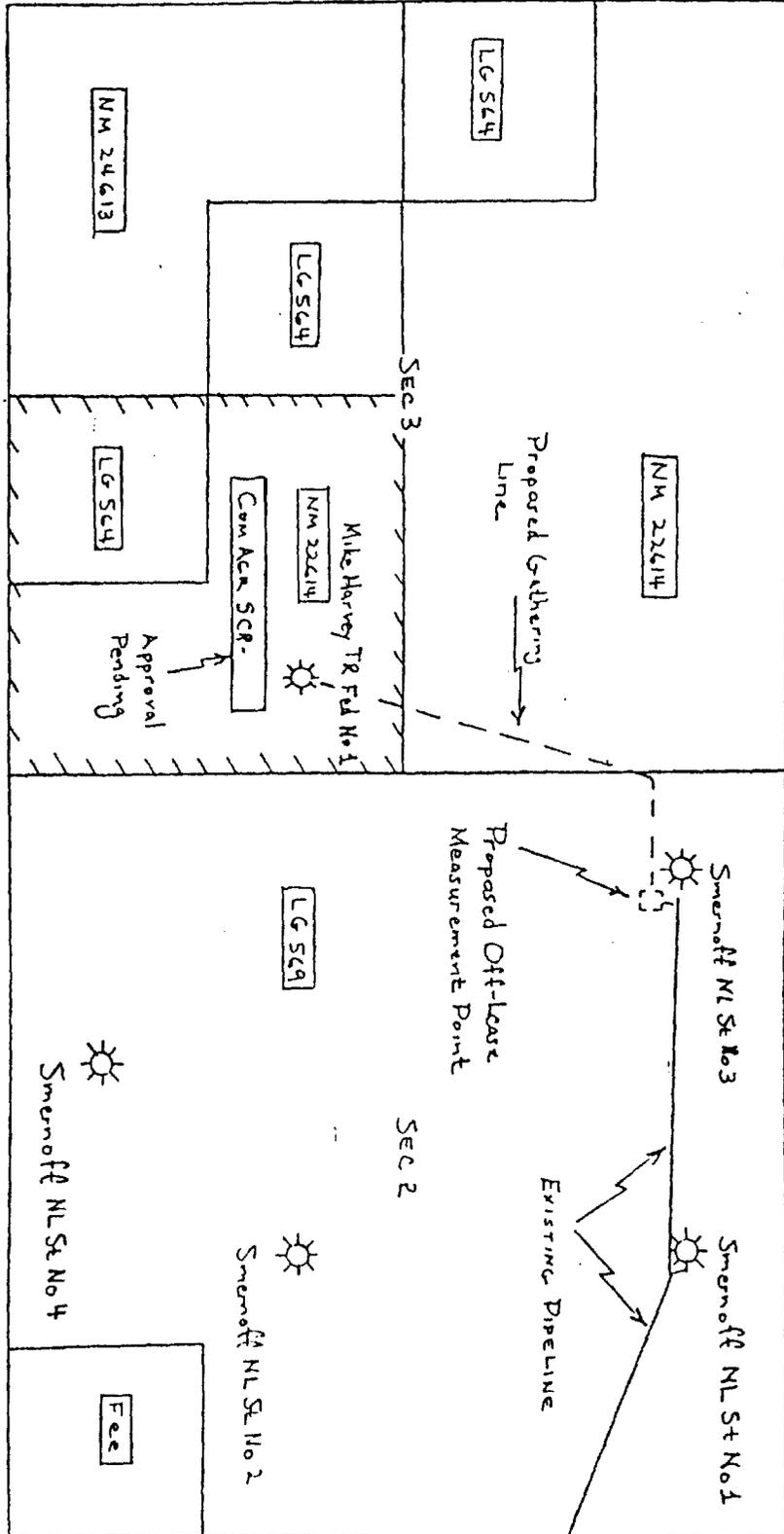
Sincerely,



D. F. BONEAU  
Engineering Manager

ARS/cvg

Enclosure



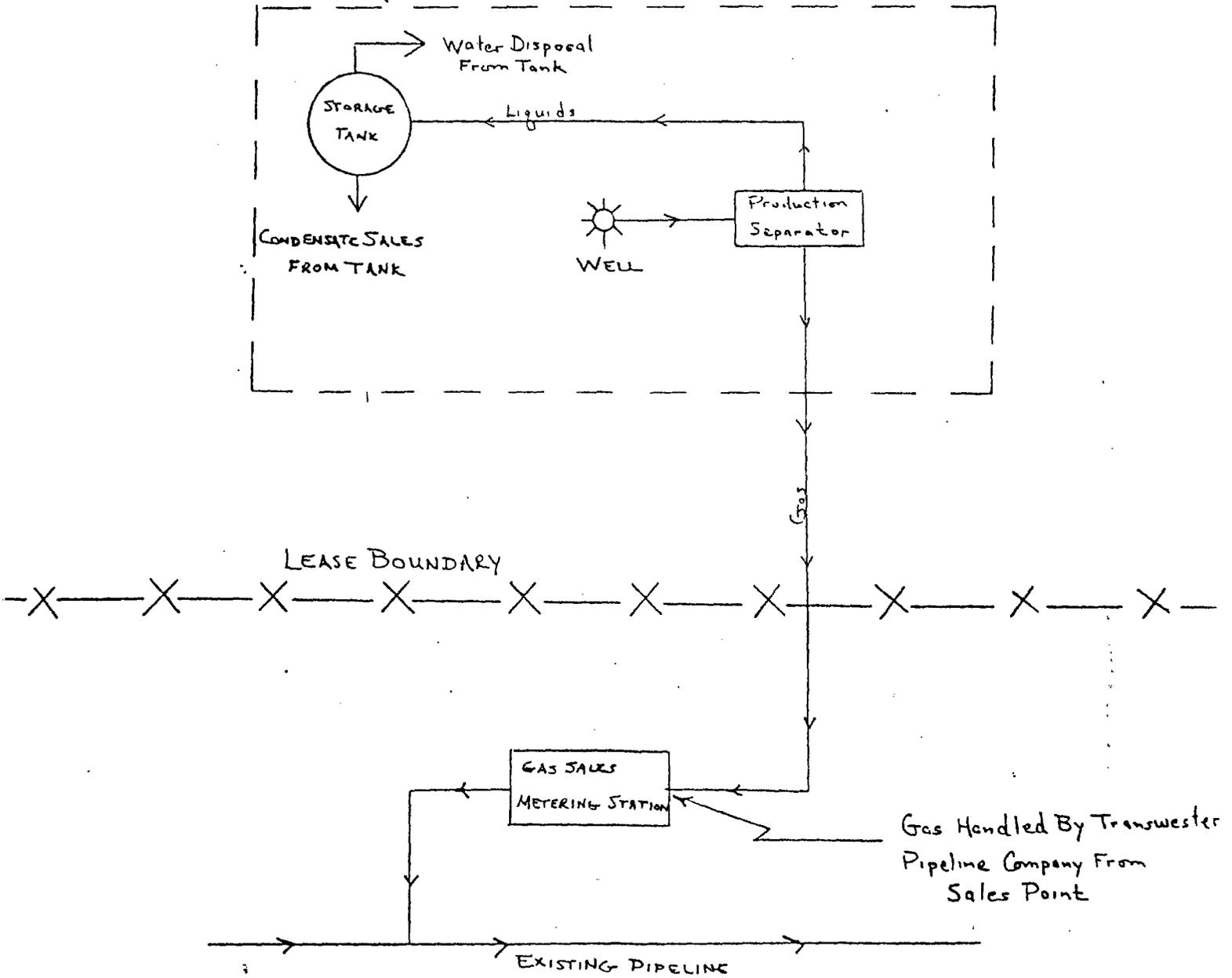
CHEMATIC DIAGRAM

OFF-LEASE GAS MEASUREMENT

Mike Harvey TR Federal Well No. 1

1980' FSL 660' FEL Sec. 3, T. 55, R. 24 E.

WELLSITE





# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

ROSWELL DISTRICT OFFICE  
POST OFFICE DRAWER 1857  
ROSWELL, NEW MEXICO 88201

NOV 01 1982

October 28, 1982

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, NM 88210

Attention: Ray Stall

Gentlemen:

Reference is made to your letter of October 14, 1982, whereby approval is sought for off-lease measurement of gas produced from your Thomas LN Federal well No. 3 located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  sec. 14, T. 6 S., R. 25 E., N.M.P.M., Chaves County, New Mexico.

Your application for off-lease measurement with the metering facilities to be located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  sec. 11, T. 6 S., R. 25 E., is hereby approved. Any leaks or breaks between the well head and point of measurement will be borne by the operator and royalty will be based on the preceeding 30 day average rate. Such rate will be used for that period of time in which a leak or break is present.

This approval is subject to approved rights-of-ways for the gathering lines.

Sincerely yours,

*James A. Gillham*  
for James A. Gillham  
District Supervisor  
Oil and Gas

Enclosure



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

Page 3-18  
S. P. YATES

PRESIDENT

MARTIN YATES, III

VICE PRESIDENT

JOHN A. YATES

VICE PRESIDENT

B. W. HARPER

SEC. TREAS.

October 14, 1982

District Manager, Roswell District  
Minerals Management Service  
P. O. Drawer 1857  
Roswell, New Mexico 88201

Gentlemen:

Due to reduced demand for natural gas from the Pecos Slope Abo field of North Chaves County many wells in the area have been shut-in since completion waiting on pipeline connection. Transwestern Pipeline Company, the only pipeline company serving the field, recently advised operators that only a limited number of these shut-in wells will be connected by the company. However, Transwestern has agreed to purchase gas from the remaining wells provided operators deliver the gas to existing Transwestern pipeline facilities. Transwestern will provide pipeline taps and metering equipment for gas sales, but operators are expected to lay gathering lines from the wells to metering stations. In most cases there will be a place to tap into the existing Transwestern Pipeline system somewhere on the lease, but in a few instances where no pipeline traverses the lease it will be necessary to take the gas off-lease for sales measurement. Such is the case for the Thomas LN Federal well No. 3 located 1980 feet from the north line and 1980 feet from the west line of Section 14, Township 6 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

Accordingly, Yates Petroleum Corporation hereby makes application for approval of off-lease measurement of gas produced from the Thomas LN Federal well No. 3. The well was completed on April 4, 1982, for 4173 MCFGPD from Abo perforations 3723 to 3890 feet. The NW 1/4 of Section 14 is dedicated to the well involving 160 acres in Federal lease NM 10263. Except for off-lease gas measurement all other facets of production handling will remain the same as for existing wells in the area. Any condensate produced will be separated, stored, measured and sold at the wellsite.

Attached is a map showing the location of the Thomas LN Federal well No. 3 and the proposed point of off-lease gas measurement. Another map shows basic mineral ownership including lease numbers and communitization agreement numbers

APPROVED

OCT 29 1982

*James A. Gillham*  
JAMES A. GILLHAM  
DISTRICT SUPERVISOR

District Manager, Roswell District

-2-

October 14, 1982

where applicable. Also attached is a schematic diagram showing how production will be handled and where production equipment will be located. All necessary rights-of-way will be obtained before installation of gathering lines.

This application is based on economic considerations. Unless gas from the well can somehow be delivered to existing pipeline facilities it now appears that the well will remain shut-in for an undeterminable length of time. Such a prolonged shut-in would prevent recovery of expenses already paid for drilling and completing the well. Additionally, without production royalties and production taxes will not be paid resulting in a direct loss of revenue to the public. Yates Petroleum Corporation respectfully requests your approval of this application. If any additional information is required please advise.

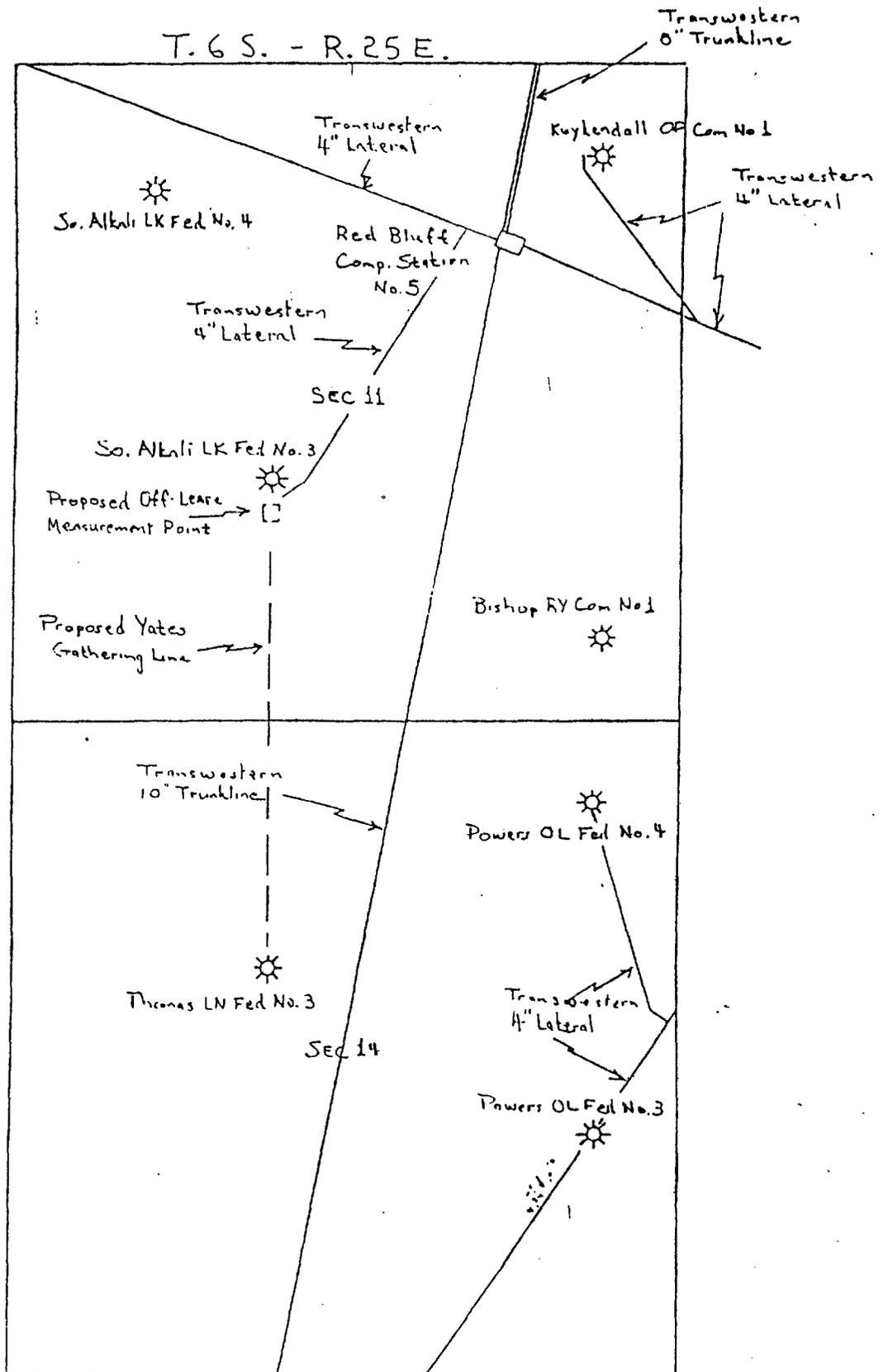
Sincerely,

*Dave Boneau*

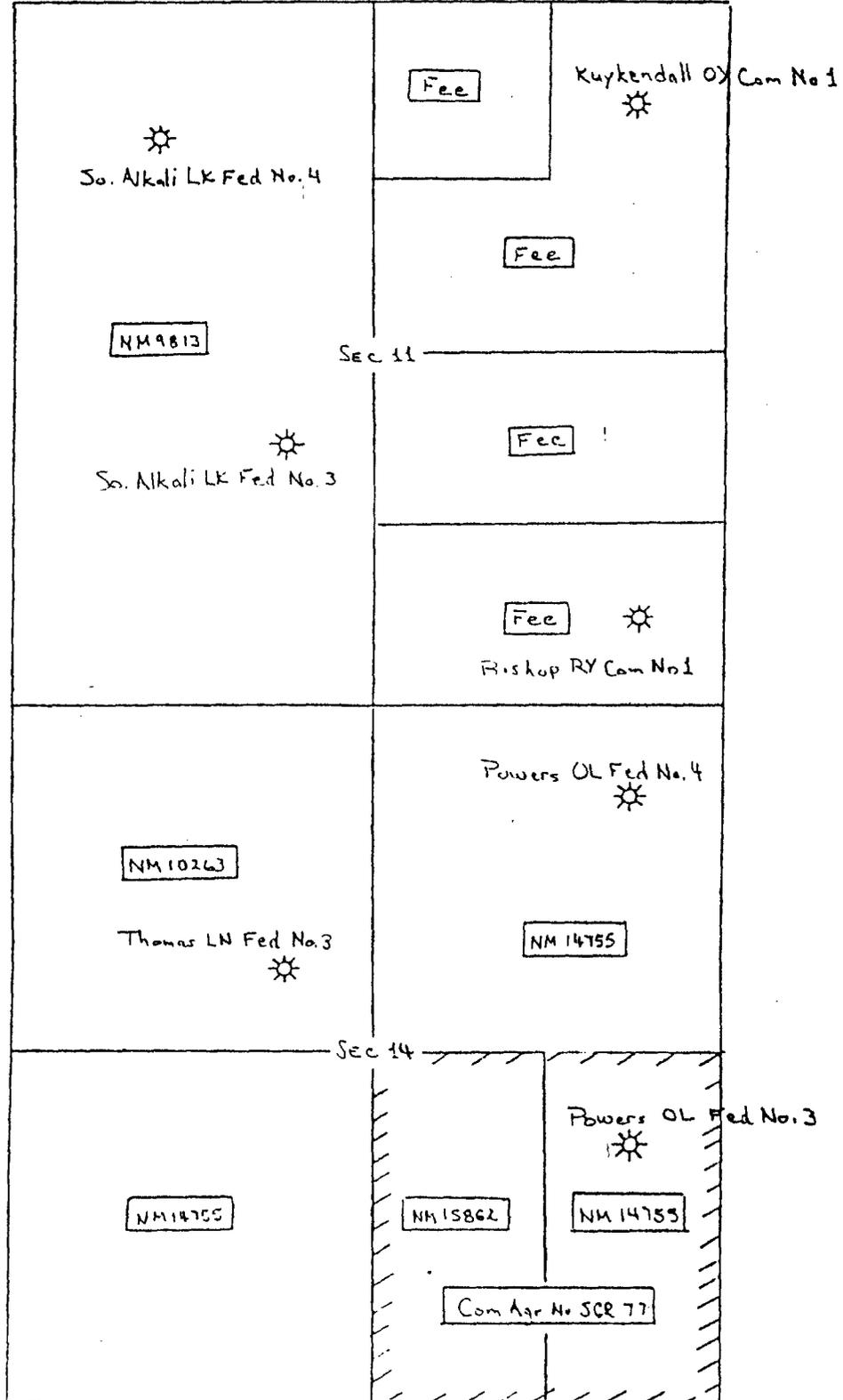
D. F. BONEAU  
Engineering Manager

ARS/cvg

Enclosure



T.6 S. - R.25 E.





OFF-LEASE GAS MEASUREMENT

Thomas LN Federal Well No. 3

1980' FNL 1980' FWL Sec. 14, T. 65., R. 25 E.

WELLSITE

