



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

September 15, 1992

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

Caprock Oil & Gas Inc.  
P.O. Box 828  
Andrews, TX 79714

Attn: Alvin Collins

RE: State Well #31-J Sec. 24, T21S, R34E  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State 'L' Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Gentlemen:

In March we wrote you advising that the Wilson Yates-SR Pool had been made into an associated pool by Division order R-9645 effective April 1, 1992.

You were advised of the special rules concerning gas well in this pool, and requested to furnish this office with revised acreage dedication plats for these wells (spotting all wells on each 160-acre proration unit).

If you do not have 160 acres to dedicate to these wells you must make application for a non-standard proration unit.

Any further delay in supplying us with these plats will be cause for cancellation of your allowables.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

ed

RECORDED





CAPROCK OIL & GAS, INC.

P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

December 22, 1992

Texaco E & P, Inc.  
P. O. Box 3109  
Midland, Texas 79702

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Dear Sirs:

Caprock Oil & Gas, Inc. requests that Texaco waive any objection to the non-standard proration unit on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

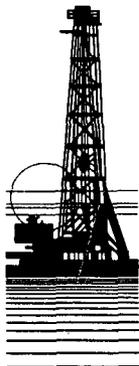
We hereby waive any objection to the application for a non-standard proration unit on the above referenced lease.

Texaco E & P, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CAPROCK OIL & GAS, INC.  
P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

OIL CONSERVATION DIVISION  
RECEIVED

'93 JAN 7 11 AM 8 51

*NSP-1660(1)*

December 22, 1992

Hal J. Rasmussen Operating Co.  
6 Desta Drive, Suite 2700  
Midland, Texas 79705

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool  
Lea County, New Mexico

Dear Sirs:

Caprock Oil & Gas, Inc. requests that Hal J. Rasmussen Operating Co. waive any objection to the non-standard proration unit application on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced lease.

Hal J. Rasmussen Operating Co.

By: *Hal J. Rasmussen*

Title: *President*

Date: *12/31/92*



CAPROCK OIL & GAS, INC.

P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

December 22, 1992

Hal J. Rasmussen Operating Co.  
6 Desta Drive, Suite 2700  
Midland, Texas 79705

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool  
Lea County, New Mexico

Dear Sirs:

Caprock Oil & Gas, Inc. requests that Hal J. Rasmussen Operating Co. waive any objection to the non-standard proration unit application on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced lease.

Hal J. Rasmussen Operating Co.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NSP-1660(L)

OIL CONSERVATION DIVISION  
RECEIVED

CAPROCK OIL & GAS, INC  
P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

93 JAN 29 AM 9 22



December 22, 1992

BTA Oil Producers  
104 S. Pecos  
Midland, Texas 79701

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Dear Sirs:

Caprock Oil & Gas, Inc. requests that BTA Oil Producers waive any objection to the non-standard proration unit on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced lease.

BTA Oil Producers

By: P. B. [Signature]

Title: Exploitation Manager

Date: January 7, 1993

RECEIVED JAN 8 1993



CAPROCK OIL & GAS, INC.  
P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

December 22, 1992

BTA Oil Producers  
104 S. Pecos  
Midland, Texas 79701

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Dear Sirs:

Caprock Oil & Gas, Inc. requests that BTA Oil Producers waive any objection to the non-standard proration unit on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced lease.

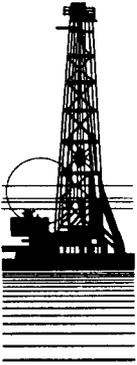
BTA Oil Producers

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NSP-1660(4)



CAPROCK OIL & GAS, INC.  
P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

December 22, 1992

Stevens & Tull  
P. O. Box 11005  
Midland, Texas 79702

RE: Aivin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Dear Sirs:

Caprock Oil & Gas, Inc. requests that Stevens & Tull waive any objection to the non-standard proration units on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced leases.

Stevens & Tull

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Handwritten Signature]*  
PRESIDENT  
1/21/93

RECEIVED JAN 2 1993



CAPROCK OIL & GAS, INC.

P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

December 22, 1992

Stevens & Tull  
P. O. Box 11005  
Midland, Texas 79702

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Dear Sirs:

Caprock Oil & Gas, Inc. requests that Stevens & Tull waive any objection to the non-standard proration units on the above referenced leases. Enclosed please find a copy of application to the Oil Conservation Division and plat.

If the foregoing meets with your approval please signify by signing herein below and return to me in the enclosed envelope. If there are any questions, please call me.

Yours very truly,

CAPROCK OIL & GAS, INC.

Enclosures

We hereby waive any objection to the application for a non-standard proration unit on the above referenced leases.

Stevens & Tull

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CAPROCK OIL & GAS, INC.

P.O. Box 828  
Andrews, Texas 79714  
915-523-6245

OIL CONSERVATION DIVISION  
RECEIVED

92 DE 24 AM 10 16

December 22, 1992

State on New Mexico  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

RE: Alvin Collins  
State Well #30-K Sec. 24, T21S, R34E  
State Well #32-N Sec. 24, T21S, R34E  
State "L" Well #1-E Sec. 25, T21S, R34E  
Wilson Yates SR Associated Pool

Gentlemen:

Caprock Oil & Gas, Inc is making an application for a non-standard proration unit on the above referenced leases. We are requesting three 80 acres non-standard proration units.

These leases are being requested as follows:

State Well #30-K Sec. 24, T21S, R34E - 80 acres N/2 of SW/4  
State Well #32-N Sec. 24, T21S, R34E - 80 acres S/2 of SW/4  
State "L" #1-E, Sec. 25, T21S, R34E - 80 acres S/2 of NW/4

Please see enclosed plat if you have any questions please call me.

Sincerely,

CAPROCK OIL & GAS, INC.

*Jessie Dominguez*  
Jessie Dominguez  
Agent

Enclosures  
/jd

cc: Oil Conservation Division  
Attn: Evelyn Downs  
P. O. Box 1980  
Hobbs, New Mexico 88241-1980

23 Hal J. Rasmussen Operating Co.	24 Hal J. Rasmussen Operating Co.		19
26 BTA Oil Producers Stevens & Tull	25 Texaco E & P, Inc. State "L" Well #1-E	25 Texaco E & P, Inc.	30
	30 32	31	

State #30-K, Sec. 24, T21S, R34E - 80 Acres N/2 of SW/4

State #32-N, Sec. 24, T21S, R34E - 80 Acres S/2 of SW/4

State #31-J, Sec. 24, T21S, R34E - 160 Acres SE/4

State "L" Well #1-E, Sec. 25, T21S, R34E - 80 Acres S/2 of NW/4



STATE OF NEW MEXICO

OIL ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

'93 JAN 4 AM 9 55 HOBBS DISTRICT OFFICE

12-28-92

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_
- NSL \_\_\_\_\_
- NSP  \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

*State L- #1-E 25-21-34*

I have examined the application for the:

*State 32-N 24-21-34*

*Caprock Oil & Gas Inc. State # 30-K 24-21-34*  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*ok*

Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator Caprock Oil & Gas, Inc.			Lease State		Well No. 30
Unit Letter K	Section 24	Township 21	Range 34E	NMPM	County Lea
Actual Footage Location of Well: 1650 feet from the South line and 1650 feet from the West line Section					
Ground level Elev. 3639	Producing Formation Yates-Seven Rivers		Pool Wilson Yates-Seven Rivers		Dedicated Acreage: 80 Acres

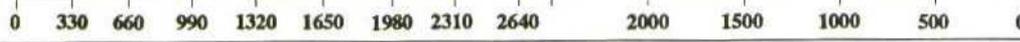
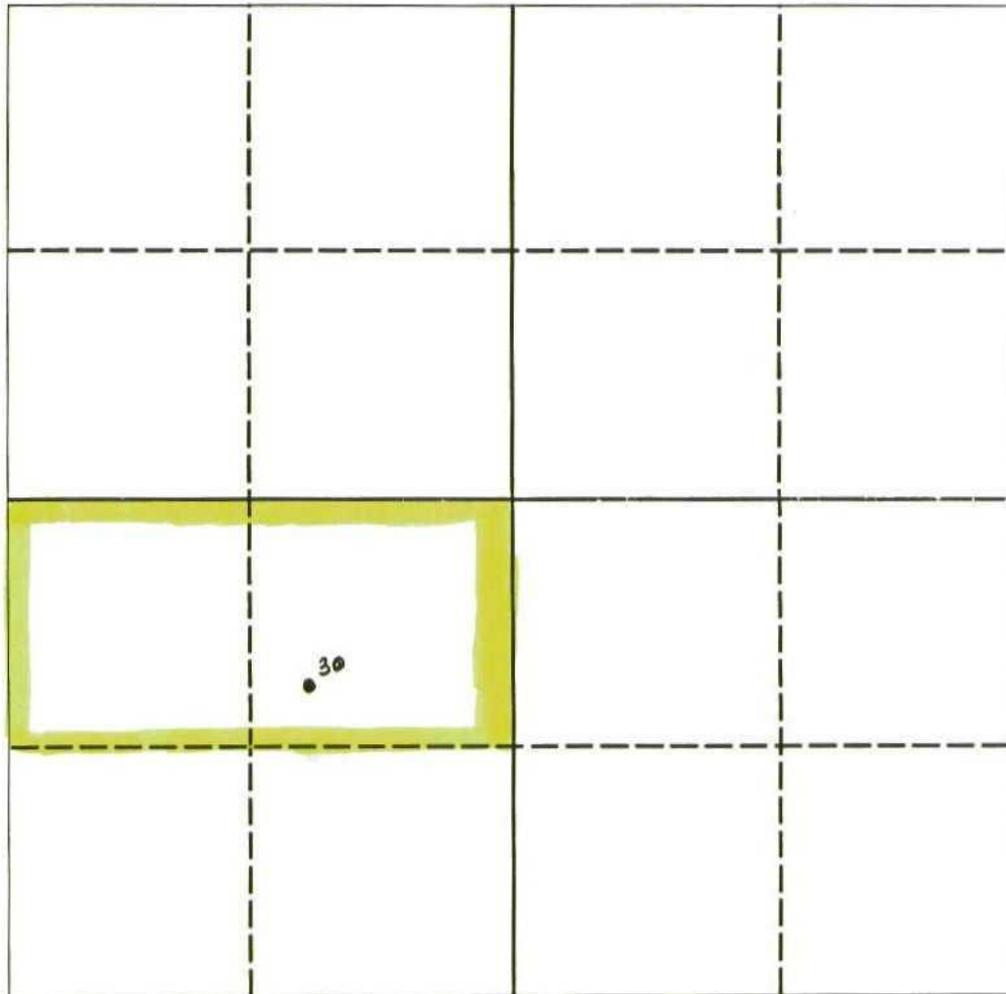
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
   
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_
   
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). \_\_\_\_\_
   
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature: *Jessie Dominguez*  
Printed Name: Jessie Dominguez  
Position: Agent  
Company: Caprock Oil & Gas, Inc.  
Date: 12/22/92

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: \_\_\_\_\_  
Signature & Seal of Professional Surveyor: \_\_\_\_\_  
Certificate No.: \_\_\_\_\_



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

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

CASE NO. 10434  
Order No. R-9645  
NOMENCLATURE

APPLICATION OF HAL J. RASMUSSEN  
OPERATING, INC. FOR POOL RE-  
CLASSIFICATION AND SPECIAL POOL  
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 6, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of March, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Hal J. Rasmussen Operating, Inc., seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in portions of Township 21 South, Ranges 34 and 35 East, NMPM, Lea County, New Mexico, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Northwest and Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. The applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this case.

(3) According to Division records and testimony presented, the subject pool was discovered and created in 1928, and was developed in the late 1930's and early 1940's. Cumulative pool production as of January 1, 1991 totaled approximately 9.2 million barrels of oil and 1.4 BCF of gas.

(4) By Order No. R-199, dated November 13, 1952, the Wilson Yates-Seven Rivers Pool was exempted from the provisions of Rule No. 506 (d), (Gas-oil ratio limitation).

(5) According to the Division's November, 1991 Monthly Statistical Report, there are approximately seven actively producing wells within the subject pool operated by three different operators.

(6) Of the seven actively producing wells, five produced only gas and two produced oil at an average rate of approximately 39 barrels per day.

(7) The geologic evidence presented by the applicant indicates that the oil producing interval in the field is a dolomite section located in the lower Yates formation and that the producing mechanism within the field is water drive.

(8) The geologic evidence further indicates that there are three gas-containing sands located in the upper Yates formation which have generally not been developed in this field.

(9) The proposed reclassification will allow the applicant and other operators in the pool the opportunity to economically recover the remaining gas reserves in the Wilson Yates-Seven Rivers Pool.

(10) No other operator and/or interest owner appeared at the hearing in opposition to the application.

(11) The evidence presently available indicates that the Wilson Yates-Seven Rivers Pool should be reclassified as an associated pool.

(12) The evidence presently available indicates that the Wilson Yates-Seven Rivers Pool may be effectively and economically developed by oil wells on 40-acre spacing and proration units and by gas wells on 160-acre spacing and proration units.

(13) The evidence further indicates that the Wilson Yates-Seven Rivers Pool may be produced at a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil without waste and/or without causing a reduction in the ultimate oil recovery from the field.

(14) At the time of the hearing, the applicant requested that a provision be incorporated into the Special Rules and Regulations for the Wilson Yates-Seven Rivers Pool whereby the Supervisor of the Hobbs District Office of the Division be given the authority to approve non-standard proration units, provided that the provisions of Rule No. (4)(b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Southeast New Mexico, as contained within Division Order No. R-5353, as amended, are complied with.

(15) With the exception of non-standard proration units which contain acreage not less than 75% nor more than 125% of a standard unit and which are necessitated by a variation in the legal subdivision of the United States Public Lands Survey, all non-standard proration units in associated pools are currently approved in Santa Fe by the Division Director.

(16) The applicant presented no compelling reason to change this long standing procedure, and therefore this request should be denied.

(17) Approval of the subject application will prevent waste by allowing the recovery of additional gas reserves from the subject pool which may otherwise not be recovered, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The Wilson Yates-Seven Rivers Pool, located in portions of Township 21 South, Ranges 34 and 35 East, NMPM, Lea County, New Mexico, is hereby reclassified as an associated pool and redesignated the Wilson Yates-Seven Rivers Associated Pool.

(2) The Wilson Yates-Seven Rivers Associated Pool shall be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico, promulgated by Division Order No. R-5353, as amended, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations for the subject pool hereinafter set forth, in which event the Special Rules shall apply.

SPECIAL RULES AND REGULATIONS  
FOR THE  
WILSON YATES-SEVEN RIVERS ASSOCIATED POOL

RULE 2. (a) A standard oil proration unit shall be 40 acres. A standard gas proration unit shall be 160 acres.

RULE 6. The limiting gas-oil ratio shall be 10,000 cubic feet of gas for each barrel of oil produced.

IT IS FURTHER ORDERED THAT:

(3) The locations of all wells presently drilling to or completed in the Wilson Yates-Seven Rivers Associated Pool or in the Yates-Seven Rivers formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs district office of the Division in writing of the name and location of the well on or before April 1, 1992.

(4) Pursuant to Paragraph A. of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing oil wells in the Wilson Yates-Seven Rivers Associated Pool shall have dedicated thereto 40 acres and existing gas wells shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C, of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Wilson Yates-Seven Rivers Associated Pool or in the Yates-Seven Rivers formation within one mile thereof shall receive no more than a 40-acre allowable for the pool.

(5) The applicant's request to include a provision for administrative approval of non-standard proration units at the district office level is hereby denied.

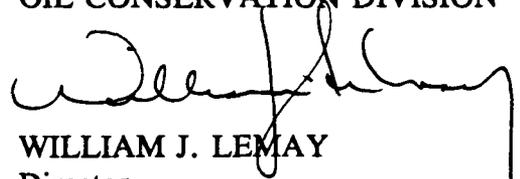
(6) Division Order No. R-199 is hereby superseded by this order.

(7) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 10434 - Nomenclature  
Order No. R-9645  
Page -5-

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY  
Director

SEAL