

CASE 5560: Appl. of YATES  
PETROLEUM CORP. for an UNORTHODOX  
GAS WELL LOCATION, Eddy County

*Approved  
by*

CASE NO.

5560

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 24, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum  
Corporation for an unorthodox gas well  
location, Eddy County, New Mexico.

CASES  
5558  
5559  
5560

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

|                          |                                  |
|--------------------------|----------------------------------|
| For the New Mexico Oil   | Thomas Derryberry, Esq.          |
| Conservation Commission: | Legal Counsel for the Commission |
|                          | State Land Office Building       |
|                          | Santa Fe, New Mexico             |

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 MR. NUTTER: We will call the next Case, 5558,  
2 5559, and 5560, all three, which are all applications of  
3 Yates Petroleum Corporation for unorthodox gas well locations  
4 in Eddy County.

5 MR. DERRYBERRY: Mr. Examiner, the applicant in  
6 these cases has requested that each of these cases be  
7 dismissed.

8 MR. NUTTER: Cases numbers 5558, 5559 and 5560  
9 will be dismissed.

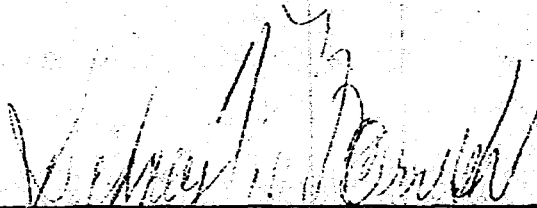
sid morrish reporting service  
General Court Reporting Service  
825 Calle Mojito, Santa Fe, New Mexico 87501  
one (305) 982-9212

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State of New Mexico )  
County of Santa Fe ) ss.

I, SIDNEY F. MORRISH, a court reporter, do hereby  
certify that the foregoing and attached Transcript of Hearing  
before the New Mexico Oil Conservation Commission was reported  
by me, and the same is a true and correct record of the said  
proceedings to the best of my knowledge, skill and ability.

  
Sidney F. Morrish, Court Reporter

I hereby certify that the foregoing  
is a record of  
the hearing held on  
at Santa Fe, New Mexico, on 9/24  
by me on 9/24  
5558-59-60  
75

# OIL CONSERVATION COMMISSION

P. O. BOX 2068 - SANTA FE

87501

LAND COMMISSIONER

PHIL R. LUCERO

September 30, 1975

DIRECTOR  
JOE D. RAMEY



STATE GEOLOGIST  
EMERY C. ARNOLD

Joel M. Carson  
Losee & Carson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 5560  
ORDER NO. R-5100

Applicant:

**Yates Petroleum Corporation**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

|             |          |
|-------------|----------|
| Hobbs OCC   | <b>x</b> |
| Artesia OCC | <b>x</b> |
| Aztec OCC   |          |

Other

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5560  
Order No. R-5100

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24,  
1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 1975, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in  
the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5560 is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Phil R. Lucero*

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

CASE 5560: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled at a point 660 feet from the South and West lines, or in the alternative, 1980 feet from the South line and 660 feet from the West line of Section 19, Township 17 South, Range 26 East, Eddy County, New Mexico, to have dedicated the S/2 of said Section 19.

CASE 5561: Application of Yates Petroleum Corporation for amendment of certain provisions of Rule 104 C.II.(a) of the General Rules and Regulations for acreage and well location requirements for gas development wells in Southeastern New Mexico. Applicant, in the above-styled cause, seeks to amend Rules 104 B.I(a) and 104 C.II(a) to include the Wolfcamp formation under the standard 320-acre gas spacing and well location requirements for Southeastern New Mexico, or in the alternative, the applicant seeks special rules for gas wells completed in the Wolfcamp formation in Township 17 South, Ranges 25 and 26 East, Township 18 South, Ranges 24, 25, and 26 East, and Township 19 South, Ranges 23, 24, and 25 East, Eddy County, New Mexico, providing for 320-acre spacing and well location requirements.

CASE 5550: (Continued from September 10, 1975 Examiner Hearing)

Application of Yates Petroleum Corporation for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Achen-Fry Deep Well No. 2 and its Arco EC Well No. 2 to be located, respectively, 660 feet from the South and East lines of Section 13 and 1980 feet from the South line and 660 feet from the East line of Section 36, the latter adjacent to the West Atoka-Morrow Gas Pool, both in Township 17 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Sections 13 and 36 to be dedicated respectively, to said wells.

CASE 5533: (Continued from the August 13, 1975 Examiner Hearing)

Application of Southern Union Production Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger formation underlying the N/2 of Section 21, Township 12 South, Range 26 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at an orthodox location in Unit F of said Section 21. 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 the applicant as the operator of the well and a charge for the risk involved in drilling said well.



LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

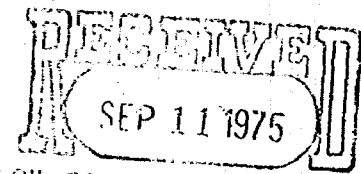
ARTESIA, NEW MEXICO 88210

AREA CODE 505

746-3508

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

10 September 1975



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

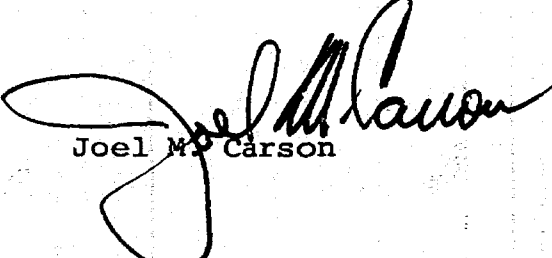
Gentlemen:

Enclosed for filing, please find three copies each of three applications of Yates Petroleum Corporation for unorthodox well locations in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of the hearing.

Yours truly,

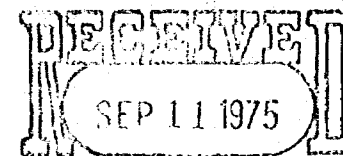
LOSEE & CARSON, P.A.



Joel M. Carson

JMC:jw  
Enclosures

cc w/enclosures: Mr. Jack W. McCaw



OIL CONSERVATION COMM.  
Santa Fe

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE NO. 5560  
COUNTY, NEW MEXICO. :

APPLICATION

COMES YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. That applicant is an operator of a majority of  
the interest in the Pennsylvanian formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 19: S/2

2. Applicant proposes to drill its Menefee "EQ" well  
at a location either 660 feet from the South and 660 feet from  
the West lines in the SW/4 NW/4, or, in the alternative, at a  
location in the NW/4 SW/4 which is 1,980 feet from the South  
and 660 feet from the West lines, and to dedicate the S/2 of  
said Section 19 to the well.

3. Applicant seeks an exception to the well location  
requirements of Rule 104-C of the Oil Conservation Commission  
to permit the drilling of the well at the above mentioned un-  
orthodox locations to a depth sufficient to adequately test the  
Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising  
the S/2 of said Section 19 should be dedicated to the Menefee  
"EQ" well.

5. That the approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, 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 Commission enter its order granting applicant permission in the alternative to drill its Menefee "EQ" at the above mentioned unorthodox locations, and to dedicate the S/2 of said Section 19 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be justified in the premises.

YATES PETROLEUM CORPORATION

By: 

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

Attorneys for Applicant

DOCKET MAILED

Date 9/12/75

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5560

Order No. R- 5100

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1975, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5560 is hereby dismissed.

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

rates - unorthodox gas location

Menefee "EQ"

19-17-26

well drilled at

660 FSL + 660 FWL

or in alternative

1980 FSL + 660 FWL

5/2 - dedicated

all received by phone from Joel Carson

9:30 a.m.

9/2/75

Case 5560