

com

CASE NO.

5593

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date DECEMBER 3, 1975 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Carl Traynick	U.S.G.S	Roswell
Jim Gillham	U.S.G.S.	Roswell
HAILEY REAVIS	EXXON	MIDLAND
Bob Gouley	"	"
Ray Beck	Yataa Pet	Artesia
Joel M. Carson	Kosut Carson P.A.	Artesia
W.T. G. Herson	General American	Dallas
Larry J. Darnall	" "	Dallas
Guy T. Buell	Amoco Production Co.	Houston
Oscar Swan	Amoco Production Co.	Denver
Paul Eaton	Humble, Bradmont, Co., Eaton	Roswell
Terry Lucht	Amoco Production Co.	Farmington
George H. Humble Jr.	McClellan Oil Corp. et al	Roswell, NM
Geoff. Johnson, Jr.	✓ ✓ ✓ ✓	✓ ✓
Joel J. McClellan	McClellan Oil Corp.	Roswell, NM
Jon H. Bear	Burk Royalty Co	Wichita Falls Tex.
Paul Cooter	Atwood + Malone (Burk Roy Co)	Roswell
W.T. Tena	Sarpatt Oil Corp	Allen Tex
John Wadsworth	BURK ROYALTY	Wichita Falls Tex
LARRY L. LAMB	CORINE GRACE	Wichita Falls Tex
Ralph O. Cronquist	Amoco Production Co.	Houston, Texas

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date DECEMBER 3, 1975 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Leon Kempert	Dipport Oil	Corpus Christi TX
John C Hunter	Amoco Production Co.	Houston TX
J.D. HICKS	CORNING GRACE	FARMINGTON
L.P. REISCH	SELF	SANTA FE

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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 3, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora-) CASE
tion for an unorthodox gas well loca-) 5593
tion, Eddy County, New Mexico)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Joel M. Carson, Esq.
LOSEE & CARSON, P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

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5 Cross Examination by Mr. Stamets	6

EXHIBIT INDEX

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12 Applicant's Exhibit No. Two, Isopach & Structure Map	6

1 MR. STAMETS: We'll call the next Case, 5593.

2 MR. CARR: Case 5593, application of Yates Petroleum
3 Corporation for an unorthodox gas well location.

4 MR. STAMETS: Call for appearances in this Case.

5 MR. CARSON: Mr. Examiner, my name is Joel Carson,
6 Losee and Carson, P.A. representing Yates Petroleum Corporation.
7 I have one witness, Mr. Ray Beck.

8 MR. STAMETS: If he will stand and be sworn, please?

9 (THEREUPON, the witness was duly sworn.)

10 RAY BECK

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. CARSON:

16 Q Would you state your name, please?

17 A Ray Beck.

18 Q And what's your employment, Mr. Beck?

19 A Geologist, Yates Petroleum, Artesia, New Mexico.

20 Q And your education?

21 A Well, my qualifications have been accepted, I

22 believe, before.

23 MR. CARSON: Are his qualifications acceptable?

24 MR. STAMETS: They are.

25 Q (Mr. Carson continuing.) Could you tell the Examiner

1 what the purpose of this application is?

2 A In Case 5593 Yates Petroleum Corporation requests
3 approval of the unorthodox gas well location which is the
4 proposed Number 1 Caffell FD to be drilled six, sixty from
5 the south and nineteen, eighty from the east of Section 15,
6 Township 17 South, Range 26 East in the Kennedy Farms Morrow
7 area, Eddy County, New Mexico. The east half of said Section 15
8 will be dedicated to the well.

9 Q You have an Exhibit Number One which I believe is
10 a map. Would you explain the map and colors to the Examiner?

11 A Exhibit Number One is a land plat showing the proposed
12 location and its relationship to the surrounding acreage. The
13 yellow is the Yates leasehold, the orange is the Yates leasehold,
14 plus minerals.

15 Q And this is part of the Kennedy Farms Morrow
16 pool?

17 A Yes, sir, that is correct.

18 Q Mr. Beck, have there been any other unorthodox
19 locations granted in this area?

20 A In the Kennedy Farms area there are seven wells.
21 Six of the seven were drilled on unorthodox gas well locations
22 and all six of these unorthodox locations have been approved
23 without penalty.

24 Q In your opinion, will this proposed well efficiently
25 drain the east half of Section 15?

1 A. I do think so.

2 Q Will it prevent the drilling of unnecessary wells
3 and avoid unnecessary risk in your opinion?

4 A. It will.

5 Q Do you believe it will prevent waste and protect
6 correlative rights?

7 A. It is my opinion that it would.

8 MR. CARSON: I would like to move the introduction
9 of these two exhibits, Mr. Examiner, at this time.

10 MR. STAMETS: Have we had a discussion of Exhibit
11 Two at this point?

12 MR. CARSON: No, we haven't.

13 Q (Mr. Carson continuing.) Well, would you explain
14 Exhibit Two to the Examiner, please?

15 A. Exhibit Two is a combination isopach and structural
16 map showing in solid contours the varying thickness of the
17 total Morrow clastics intervals, and in dotted contours the
18 structural attitude on the top of the Morrow clastics.

19 The most pertinent relationship to be shown on
20 this exhibit is that the proposed well is located on the axis
21 of a Morrow stick and it has been demonstrated that the
22 most productive, efficient, channel-type reservoirs of the
23 nearby west Atoka in the Atoka Penn field are along or close
24 to the axis of these Morrow clastic sticks.

25 Shown also on the exhibit is one of the typical well

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1 logs covering the Morrow interval in this area. It may be
2 noted that the top of the Morrow clastic and the Morrow
3 clastic interval are shown on the log. That's all I have
4 to say about this exhibit.

5 MR. STAMETS: These exhibits will be admitted.
6 (THEREUPON, Applicant's Exhibits One and
7 Two were admitted into evidence.)
8

9 CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Beck, what is the necessity for locating this
12 well so close to the line there, it would appear from looking
13 at your Exhibit Number Two that it could just as well be
14 located at a standard location, nineteen hundred and eighty
15 from the south?

16 A Well, you do pick up somemore thickness and you
17 are closer to wells that we think are channel wells, such as
18 the Texas Pacific Ansley in Section 27 and you are just closer
19 to the production, I guess, and closer to the channel and by
20 going south you pick up thickness. You just have a better
21 mathematical chance of picking up sand in the thicker part.

22 Q It would appear too, looking at your Exhibit Number
23 Two, that there is quite a bit of distance between the
24 producing wells in the field and your proposed location,
25 would this tend to achieve better drainage, assuming you get

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1 a well in there?

2 A. Well, the reason it is located so far from the
3 cluster of wells is because of the spacing in the Yates Tidwell
4 there in Section 22 which was drilled on the east half, just
5 getting closer land-wise.

6 MR. STAMETS: Any other questions of the witness?

7 He may be excused.

8 (THEREUPON, the witness was excused.)

9 MR. STAMETS: Is there anything further in this
10 Case? We will take the Case under advisement.

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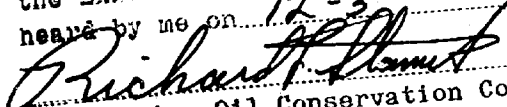
25

REPORTER'S CERTIFICATE

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 do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5593
heard by me on 12-3-1975


Richard H. Hammett, Examiner
New Mexico Oil Conservation Commission

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Santa Fe, New Mexico
825 Calle Mejia, Phone (505) 982-9212

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. 5593
Order No. R-5135

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 December 3, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of December, 1975, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Caffell FD Well No. 1 to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, NMPM, to test the Pennsylvanian formation, Kennedy Farms Field, Eddy County, New Mexico.

(3) That the E/2 of said Section 15 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

-2-

Case No. 5593
Order No. R-5135

IT IS THEREFORE ORDERED:

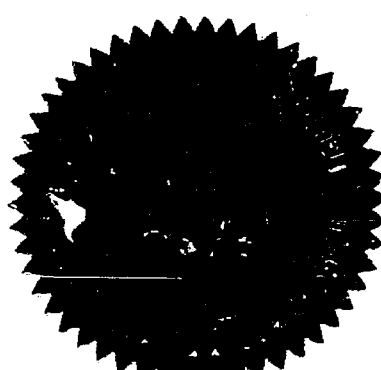
(1) That an unorthodox gas well location is hereby approved for applicant's Caffell FD Well No. 1 to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field, Eddy County, New Mexico.

(2) That the E/2 of said Section 15 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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
EMERY C. ARNOLD, Member

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

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Yates Petroleum Corporation and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Kennedy Farms Field, Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill its Caffell FD No. 1 well at a location 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico, dedicating the E/2 of Section 15 to the well.

2. The proposed well is projected as a test of the formations in the Kennedy Farms Field.

3. Approval of the application will prevent waste, and will permit the recovery of oil and/or gas that would not otherwise be recovered. The correlative rights of owners of offsetting interests will not be impaired.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner,

and that after notice and hearing as required by law the Commission enter its order approving the unorthodox well location as applied for.

Respectfully submitted,

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

KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

By Jason W. Kellahin
ATTORNEYS FOR APPLICANT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

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WELL LOCATION, EDDY COUNTY, NEW MEXICO

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By Jason W. Kellahin
ATTORNEYS FOR APPLICANT

[illegible]

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 5593

Order No. R- 5135

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

WLC

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 3, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of December, 1975, the Commission,
a quorum being present, 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
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant Yates Petroleum Corporation, seeks
for its Caffell FD Well No. 1 to be drilled at a point
approval of an unorthodox gas well location 660 feet from the South

line and 1980 feet from the East line of Section 15, Township
17 South, Range 26 East, NMPM, to test the

Pennsylvanian formation, Kennedy Farms Field Pool,
Eddy County, New Mexico.

(3) That the E/2 of said Section 15 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location ~~for the~~ ^{for applicant's Caffell FD Well No. 1 to be drilled} ~~formation~~ is hereby approved ~~for a well to be located~~ at a point 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 15 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

Ad - taken by phone from Joel Carson - 11/10/75

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 its CAFFELL FD well #1 to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico, ~~to dedicate~~ have ~~dedicated the E/2 of said Section 15~~ the E/2 of said Section 15 to be dedicated to the well

(Now test)

746-23506