

CASE NO.

6482

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2088, Santa Fe, New Mexico 87501

APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY		Kind of Lease
DATE OF: APPLICATION	<u>Feb 16, 79</u>	State, Federal or Leasing State
DETERMINATION	<u>5-18-79</u>	State Oil & Gas Lease No.
CONTESTED	<u>No</u>	B-2735
PARTICIPANTS	<u>Yates</u>	7. Unit Agreement Name
2. Name of Operator	Harvey E. Yates Company	8. Name of Lease Name
3. Address of Operator	P. O. Box 1933, Roswell, New Mexico 88201	Mobil 27 State
4. Location of Well	UNIT LETTER <u>A</u> <u>660</u> FEET FROM THE <u>NORTH</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE. SECTION <u>27</u> TOWNSHIP <u>19S</u> RANGE <u>35E</u> NEPM.	9. Well No.
		10. Field and Pool, or Willam
		Und. Queen
13. Name and Address of Transporter(s)	Phillips Petroleum Corporation	12. County
		Lea

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

- ☐ 1. Category(ies) Sought (By NGPA Section No.) 102 (New onshore Reservoir)
☐ 2. All Applications must contain: 103 (New onshore Production well)
- ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT AND LOG
☒ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
☒ d. AFFIDAVITS OF MAILING OR DELIVERY
- ☐ 3. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)
☐ a. Location Plat
- ☐ 4. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)
☐ a. C-122 Multipoint and one point back pressure test
- ☐ 5. NEW ONSHORE PRODUCTION WELL
☒ a. C-102 WELL LOCATION AND ACREAGE DEDICATION PLAT
☐ b. No. of order authorizing infill program _____
- ☐ 6. STRIPPER GAS
☐ a. C-116 GAS-OIL RATIO TEST
☐ b. PRODUCTION CURVE FOR 12-MONTH PERIOD PRECEDING DECEMBER 1, 1978.
☐ c. PRODUCTION CURVE FOR THE 90-DAY PERIOD ON WHICH THE APPLICATION IS BASED

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

NAME: George M. Yates

SIGNED: [Signature]

TITLE: Vice President

DATE: February 12th, 1979

APPROVED: [Signature] EXAMINER

Exhibit B

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FEB 16 1979

Oil Conservation



JERRY APUDACA
GOVERNOR

DICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2010
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

EXAMINER'S AFFIDAVIT

The information contained herein includes all of the
information required to be filed by the applicant under
Subpart B of Part 274.

EXAMINER

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
unknown	Northern Natural Gas	Oil Conservation

RECEIVED
FEB 16 1979

Remarks:

1.0 API well number: (If not available, leave blank. 14 digits.)	30-025-25551			
2.0 Type of determination being sought. (Use the codes found on the front of this form.)	102 103 Section of NGPA		4 Category Code	
3.0 Depth of the deepest completion location. (Only needed if sections 103 or 107 in 2.0 above.)	4,459' feet			
4.0 Name, address and code number of applicant. (35 letters per line maximum. If code number not available, leave blank.)	Harvey E. Yates Company Name P. O. Box 1933 Street Roswell, NM 88201 City State Zip Code			
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	Undesignated Queen Field Name Lea NM County State			
(b) For OCS wells:	Area Name Block Number Date of Lease Mo. Day Yr. OCS Lease Number			
(c) Name and identification number of this well: (35 letters and digits maximum.)	Mobil 27 State FEB 16 1979			
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	None Oil Conservation			
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	Northern Natural Gas Company Name Buyer Code			
(b) Date of the contract:	unknown Mo. Day Yr.			
(c) Estimated annual production:	73 MMcf.			
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	2.078	.135	---	2.213
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	2.116	.136	---	2.252
9.0 Person responsible for this application:	George M. Yates Vice President Name Title Signature February 12, 1979 505/623-6601 Date Application is completed Phone Number			
Agency Use Only				
Date Received by Juris. Agency				
Date Received by FERC				

BEFORE THE OIL CONSERVATION DIVISION - STATE OF NEW MEXICO

IN THE MATTER OF THE)
APPLICATION OF HARVEY E.)
YATES COMPANY FOR WELLHEAD)
PRICE CEILING DETERMINATION)
UNDER THE NATURAL GAS POLICY)
ACT OF 1978)

APPLICATION

Comes now Harvey E. Yates Company, a New Mexico Corporation,
hereinafter referred to as "Applicant" and states:

PRIMARY APPLICATION

1. Applicant owns an interest in and is operator of the Mobil 27 State #1 well, located 660' FNL and 660' FEL, Section 27, T-18S, R-35E, N.M.P.M., Lea County, New Mexico.
2. Prior to drilling said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) diligent examination of:
 - (1) the real property records maintained in the county where said well is situated.
 - (2) commercially produced ownership and well location maps maintained currently in applicant's office.
 - (3) commercially produced well completion records, covering the Southeast New Mexico area and maintained currently in applicant's office.
 - (b) a title opinion covering the proposed proration unit prepared by an attorney experienced in oil and gas title examination, based on commercially prepared abstracts covering the county records and where applicable, the records of the New Mexico State Office of the Bureau of Land Management or the New Mexico State Land Office. Said abstracts and title opinions are located in applicant's office.
 - (c) application to drill said well with the appropriate governmental agency. Said application was duly approved and copies are on file in applicant's office

and with said agency. A copy of said application is attached hereto as Exhibit 1.

3. During the drilling of said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) a daily drilling log, copies of which are on file in applicant's office. The portion of said log showing the date the producing reservoir was penetrated is attached hereto as Exhibit 2.
 - (b) a directional drilling survey, copies of which are on file in applicant's office and a copy of said survey is attached hereto as Exhibit 3.
4. Subsequent to completion of said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) A diligent examination of:
 - (1) production records compiled for the State of New Mexico by the New Mexico Oil Conservation Division. Copies of said records are on file in applicant's office and the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico.
 - (2) examination of royalty and severance tax records to the extent they were examined during the title opinion process referred to above.
 - (b) a completion report which was filed with the appropriate governmental agency. Copies are on file in applicant's office and the offices of said agency, and a copy is attached hereto as Exhibit 4.
 - (c) a well location and acreage dedication plat dedicating the subject proration unit and filed with the appropriate governmental agency. Said dedication is on file in applicant's office and the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico, and a copy is attached hereto as Exhibit 5.
 - (d) a title opinion for division order purposes by an attorney experienced in oil and gas title examination utilizing abstracts as described above.
 - (e) monthly report of operations and production which have been filed with the appropriate governmental agency. Copies are on file in applicant's office and the offices of said agency. A copy of the report showing first commercial production from the subject reservoir is attached hereto as Exhibit 6.
5. Applicant has also caused to be prepared pursuant to its officers' instructions:
 - (a) location plat which locates and identifies the subject well and other wells, data from which is utilized to support this application. Copies of said location plat

are on file in applicant's office and a copy is attached hereto as Exhibit 7.

(b) a summary of geological data supporting this application including the following to the extent reasonably available:

- (1) Well Log Section defining the top and bottom of the reservoir - Exhibit 8 (a)
- (2) Bottom-hole or Surface Pressure Surveys - Exhibit 8 (b)
- (3) Well Potential Tests - Exhibit 8 (c)
- (4) Formation Structure Map - Exhibit 8 (d)
- (5) Subsurface Cross-section Chart - Exhibit 8 (e)

6. The above described are the only records and data reasonably available to Applicant, and there are no other public records maintained which are relevant to this application.
7. Suitable facilities for production and delivery of natural gas from the subject reservoir were in existence on November 23, 1978.
8. On the basis of the above, applicant has concluded that there is substantial evidence to support a determination:
 - (a) that the natural gas for which it seeks a determination is produced from a new onshore reservoir as defined under Section 102 (c)(1)(C) of the Natural Gas Policy Act of 1978.
 - (b) that natural gas was not produced in commercial quantities from said reservoir prior to April 20, 1977.
 - (c) that there were no suitable facilities available to produce and deliver natural gas from the subject well to a pipeline on or before April 20, 1977.
 - (d) that said reservoir was penetrated before April 20, 1977, by an old well from which natural gas or crude oil have been produced in commercial quantities from other reservoirs, however, said reservoir was not considered commercially producible prior to drilling of the subject well.
9. Applicant has no knowledge of any information which is inconsistent with the above stated conclusions.
10. Applicant has prepared and enclosed with this Application, F.E.R.C. Form 121, and (United States Geological Survey Form GS-102) (New Mexico Oil Conservation Division Form C-132) and delivered copies of F.E.R.C. Form 121 (and New Mexico Oil Conservation Division Form C-132) by U.S. Mail, postage prepaid, to all co-lessees, working interest owners, and gas purchasers under the subject well. A list of such co-lessees, working interest owners, and gas purchasers is attached hereto as Exhibit 9.

WHEREFORE, Applicant requests that a determination be made that the natural gas produced from the subject well is from a new on-shore reservoir as defined in §102 (c)(1)(C) of the Natural Gas Policy Act of 1978, and that said gas is entitled to a ceiling price calculated pursuant to §102 (a) and (b) of said Act.

ALTERNATE APPLICATION

Comes now Harvey E. Yates Company, a New Mexico Corporation, and as an alternative to its primary application, states that:

1. Paragraphs 1, 2, 3, and 4 of the foregoing Primary Application are incorporated herein by reference.
2. Applicant has also caused to be prepared pursuant to its officers' instructions:
 - (a) a location plat which locates and identifies the subject well and all other wells within the proration assigned to said well. Said location plat is on file in applicant's offices and a copy is attached hereto as Exhibit 10.
3. The above described are the only records reasonably available to Applicant and there are no other public records maintained in the State of New Mexico which are relevant to this application.
4. On the basis of the above, Applicant has concluded that:
 - (a) the surface drilling of the well for which he seeks a determination was begun on or after February 19, 1977.
 - (b) the well satisfies any applicable federal or state well-spacing requirements; and that the well is not within a proration unit:
 - (i) which was in existence at the time the surface drilling of the well began;
 - (ii) which was applicable to the reservoir from which natural gas is produced; and,
 - (iii) which applied to any other well which either produced natural gas in commercial quantities or the surface drilling of which began on or after February 19, 1977, and was thereafter capable of producing natural gas in commercial quantities; and
 - (c) there is substantial evidence to support a determination that gas produced from said well is from a new onshore production well as defined under Section 103 (c) of the Natural Gas Policy Act of 1978.

6. Applicant has no knowledge of any information which is inconsistent with the above stated conclusions.
7. Applicant has prepared and enclosed with this application F.E.R.C. Form 121, and (United States Geological Survey Form GS-103) (New Mexico Oil Conservation Division Form C-132) and delivered copies of F.E.R.C. Form 121 (and New Mexico Oil Conservation Division Form C-132) by U. S. Mail, postage prepaid, to all co-lessees, working interest owners, and gas purchasers. A list of such co-lessees, working interest owners and gas purchasers is attached hereto as Exhibit 9.

WHEREFORE, Applicant requests that a determination be made that the natural gas produced from the subject well is from a new onshore production well as defined in §103 (c) of the Natural Gas Policy Act of 1978, and that said gas is entitled to a ceiling price calculated pursuant to §103 (a) and (b) of said Act.

DATED this 12th day of February, 1979.

HARVEY E. YATES COMPANY

By: [Signature]

George M. Yates

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

VERIFICATION

George M. Yates, being duly sworn upon his oath, deposes and states that he is a Vice President of Harvey E. Yates Company, the applicant herein, that he is authorized on behalf of said applicant to make the statements contained herein, and that said statements and Exhibits herewith, are true and correct to the best of his information, knowledge and belief.

[Signature]
George M. Yates

Subscribed and sworn to before me this 12 day of February, 1979.
My Commission Expires:

July 27, 1980

[Signature]
Notary Public

INDEX OF EXHIBITS

1. Application to Drill
2. Daily Drilling Log (Reservoir Penetration)
3. Directional Drilling Survey
4. Completion Report
5. Well Location and Acreage Dedication Plat
6. Operations and Production Report (First Commercial Production from Reservoir)
7. Well Location Plat (Reservoir Definition)
8. Geological Data
 - a. Well Log Sections
 - b. Pressure Surveys
 - c. Well Potential Tests
 - d. Structure Map
 - e. Cross-Section
 - f. Gas Analysis Data
9. List of Co-Lessees, Working Interest Owners, and Gas Purchaser
10. Well Location Plat (Proration Unit)

EXHIBIT 1

Application to Drill

COPIES RECEIVED	
DISTRIBUTION	
BY A RE	
DATE	
S.O.S.	
AND OFFICE	
CLERK	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
Type of Work			
Type of Well	DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
Oil Well <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>	SINGLE ZONE <input type="checkbox"/>
Name of Operator			
Harvey E. Yates Company, Inc.			
Address of Operator			
Suite 1000 Security National Bank Bldg., Roswell, New Mexico			
Location of Well			
UNIT LETTER	A	LOCATED	660 FEET FROM THE North
660	FEET FROM THE East	LINE OF SEC. 27	TWP. 18S RGE. 35E
19. Proposed Depth			
5000'			
19A. Formation			
Queen, Penrose			
20. Rotary or C.T.			
Rotary			
21A. Kind & Status Plug. Bond			
Nationwide			
21B. Drilling Contractor			
WEK Drilling Co., Inc.			
22. Approx. Date Well will start			
June 20, 1977			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	400'	200 Sx	Circulate
7 7/8"	4 1/2"	10.5"	5000'	875 Sx	See below

ment program for production string:

st stage - from T.D. (5000') to bottom of salt formation (3000') with 550 Sx of 50-50 Pos
ass "C" w/6# Salt, 1/2 of 1% CFR2 and 1/4# Flocele/Sx.

d stage - DV tool @ 1800' (base of anhydrite) and 2 cement baskets below DV tool. Cement
ck to surface with 325 Sx Halliburton Lite w/9# Salt and 1/4# Flocele/Sx.

O Series, 10", Schaeffer Type E, Blowout Preventer will be used.

IVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PROGRAM.
IF - GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I certify that the information above is true and complete to the best of my knowledge and belief.

Harvey E. Yates

Title Vice President

Date May 23, 1977

(This space for State Use)

VED BY

TITLE

DATE

CTIONS OF APPROVAL, IF ANY:

EXHIBIT 2

Daily Drilling Log (Reservoir Penetration)

EXHIBIT 3

Directional Drilling Survey



DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

KENNETH D. REYNOLDS - ARTESIA
LESLIE K. EVERTSON - ROSWELL

P. O. Box 2055 ROSWELL, NEW MEXICO 88201
TELEPHONE: ARTESIA 505/746-6757
ROSWELL 505/623-5070

July 14, 1977

Harvey E. Yates Co., Inc.
Suite 1000
Security National Bank Bldg.
Roswell, New Mexico 88201

Re: Mobil 27 State #1

Gentlemen:

The following is a Deviation Survey of the above well:

429'-1/4°
900'-3/4°
1384'-3/4°
1500'-3/4°
1970'-1 1/4°
2450'-1 1/2°

2676'-1 1/2°
3150'-1 1/4°
3630'-1 3/4°
4100'-1 1/4°
4446'-1°
4900'-1° T.D.

Yours very truly,

WEK DRILLING CO., INC.

Arnold Newkirk

Arnold Newkirk

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 14th day
of July, 1977 by Arnold Newkirk.

My Commission Expires:

April 9, 1980

Glenda Bea Newton
Notary Public

EXHIBIT 4
Completion Report

NO. OF COPIES RECEIVED	
DISTRIBUTION	
AMOUNT	
DATE	
S.G.S.	
AND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Form O-1105
Revised 10-68

TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVN. ☐ OTHER ☐

Name of Operator

Harvey E. Yates Company, Inc.

Address of Operator

Post Office Box 1933, Roswell, New Mexico 88201

Location of Well

LETTER A LOCATION 660 FEET FROM THE North LINE AND 660 FEET FROM

East LINE OF SEC. 27 TWP. 18S RGE. 35E NMPM

Date Spudded 6-28-77 16. Date T.D. Reached 7-10-77 17. Date Compl. (Ready to Prod.) 7-26-77 18. Elevations (DF, RKB, RT, GR, etc.) 3910' KB 19. Elev. Casinghead

Total Depth 4900' KB 21. Plug Back T.D. 4790' KB 22. If Multiple Compl., How Many Single 23. Intervals Drilled By Rotary Tools 0' - 4900' Cattle Tools

Producing Interval(s), of this completion -- Top, Bottom, Name

Queen 4453' - 4459' KB

25. Was Directional Survey Made

Yes

Type Electric and Other Logs Run

Sidewall Neutron Porosity, Dual Laterolog and Gamma Ray

27. Was Well Cored

Yes

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	20# & 28#	425'	12 1/4"	200 Sx Halliburton & 100 Sx Class C	
4 1/2"	9.5#			950 Sx in 2 stages	

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	4546' KB	

Perforation Record (Interval, size and number)

4836, 4837 and 4838 - 3 Shots

4453' - 4459' KB - 2 JSPF - Total 12 Shots

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
4836'-4838'	250 Gals 15% BDA
4810'/4790'	Cast Iron Bridge Plug / 2Sx Cement
4453'-4459'	1000 G. 15% BDA & 2000 G. 15% HCL
4453'-4459'	Frac w/10,000 YFCO II with 100

PRODUCTION mesh 20-40 sand

First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)					Well Status (Prod. or Shut-in)	
8-2-77		Pumping					Producing	
Date of Test	Hours Tested	Choke Size	Pressure Per Test Period	Oil - Pbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio	
7-77/8-6-77	120 Hrs		88.55	TSTM	-0-			
Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Pbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)		
		18	TSTM	-0-				

Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented

Test Witnessed by

Herb Spencer

List of Attachments

Electric logs, deviation survey

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

Jack Yates

TITLE

Vice President

DATE July 29, 1977

INSTRUCTIONS

This form is to be filled with the appropriate data by the Office of the Commissioner not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by and copy of all electrical and pressure logs run in the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured by the hole in the ground from the surface of the well to the bottom of the hole. For multiple completions, items 40 through 44 shall be reported for each zone. The form is to be filled in quadruplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____ 3028
 T. Yates _____ 3226
 T. 7 Rivers _____ 3664
 T. Queen _____ 4428
 T. Grayburg _____
 T. San Andres _____
 T. Glorieta _____
 T. Paddock _____
 T. Blinbry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo _____
 T. Wolfeamp _____
 T. Penn. _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn _____
 T. Atoka _____
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Granite _____
 T. Delaware Sand _____
 T. Bone Springs _____
 Rustler _____ 1732
 Cowden _____ 2863
 Bowers _____ 4146
 Up. Penrose _____ 4674
 Lo. Penrose _____ 4830

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn. "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Lordsburg _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Quartz _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

No. 1, from 4453 - 4459

No. 2, from _____ to _____

No. 3, from _____ to _____

SANDS OR ZONES

No. 4, from _____ to _____

No. 5, from _____ to _____

No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet.

No. 2, from _____ to _____ feet.

No. 3, from _____ to _____ feet.

No. 4, from _____ to _____ feet.

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0'	1732'	1732'	Redbed anhydrite				
1732'	2863'	1131'	Rustler				
2863'	3028'	165'	Cowden				
3028'	3226'	198'	Base of Salt				
3226'	3664'	438'	Yates				
3664'	4146'	482'	Seven Rivers				
4146'	4428'	282'	Bowers				
4428'	4674'	246'	Queen				
4674'	4830'	156'	Upper Penrose				
4830'	TD	70'	Lower Penrose				

EXHIBIT 5

Well Location and Acreage Dedication Plat

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

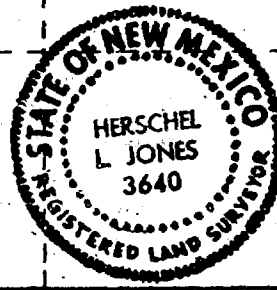
Operator HARVEY E. YATES COMPANY, INC.		Lease Mobil State 27		Well No. 1
Tract Letter A	Section 27	Township 18 S.	Range 35 E.	County Lea
Actual Well Location of Well:				
660	feet from the	North	line and	660
				feet from the
				East
Ground Level Elev. 3900	Producing Formation Queen	Pool Undesignated	Dedicated Acreage 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____
Position
Vice President
Company
Harvey E. Yates Co., Inc.
Date
May 23, 1977

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
May 18, 1977
Registered Professional Engineer
and/or Land Surveyor

Certificate No. **3640**

EXHIBIT 6

**Operations and Production Report
(First Commercial Production)**

Commercial production of gas from the Mobil 27 State Well
had not commenced as of the date of this Application.

EXHIBIT 7

Well Location Plat (Reservoir Definition)

EXHIBIT 8

Geological Data

- a. Well Log Sections
- b. Pressure Surveys
- c. Well Potential
- d. Structure Map
- e. Cross-Section
- f. Gas Analysis Data

EXHIBIT 9

List of CO-Lessees, Working Interest Owners, and Gas Purchaser

Co-Lessees and/or Working Interest Owners

Harvey E. Yates, Sr.
James H. Yates
Fred G. Yates, Inc.
Explorers Petroleum Corp.
J. E. Cieszinski
P. O. Box 1933
Roswell, New Mexico 88201

Mrs. Louise D. Yates
Box 379
Artesia, New Mexico 88210

Coronado Exploration Corporation
Yates Exploration, Inc.
1007 Marquette, NW
Albuquerque, New Mexico 87102

Mr. Carl W. Swan
1101 Oil Center
2601 NW Expressway
Oklahoma City, Oklahoma 73116

Mr. Chester Armbruster
1212 Oil Center
2601 NW Expressway
Oklahoma City, Oklahoma 73116

Mr. James L. Bruin
P. O. Box 550
Roswell, New Mexico 88201

Visa Exploration Company
490 Colorado State Bank Building
Denver, Colorado 80202

Gas Purchaser

Northern Natural Gas Company
2223 Dodge St.
Omaha, Nebraska 68102

EXHIBIT 10

Well Location Plat (Proration Unit)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6482
Order No. R-5985

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks a
new onshore reservoir or, in the alternative, a new onshore
production well determination for its Mobil 27 State Well No. 1
located in Unit A of Section 27, Township 18 South, Range 35 East,
Queen formation, Lea County, New Mexico.

(3) That said Mobil 27 State Well No. 1 was spudded on
June 28, 1977, and was completed as a Queen oil well on July 26,
1977.

(4) That the geologic evidence presented established that
the Queen productive interval in said well is a shallow water
sand bar characterized by limited areal extent.

(5) That while this interval of the Queen formation had
been penetrated by a number of other wells within 2 1/2 miles
of said Mobil 27 State Well No. 1, only one other well could
have produced from, or was completed in, or actually produced
from, said interval at the time of its completion, and that well

-2-

Case No. 6482
Order No. R-5985

is completed in a new onshore reservoir, as determined by Order No. R-5984, entered in Case No. 6480.

(6) That the weight of the evidence presented establishes that said Mobil 27 State Well No. 1 is completed in a new onshore reservoir from which natural gas had not been produced in commercial quantities before April 20, 1977.

(7) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(8) That said portion of the application should be dismissed.

IT IS THEREFORE ORDERED:

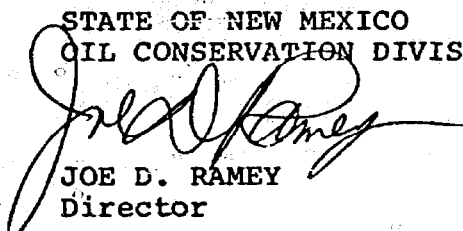
(1) That the Harvey E. Yates Company Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said Mobil 27 State Well No. 1 is hereby dismissed.

(3) That 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


JOE D. RAMEY
Director

S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6482
Order No. R-5985

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979,
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NOW, on this 25th day of April, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks a
new onshore reservoir or, in the alternative, a new onshore
production well determination for its Mobil 27 State Well No. 1
located in Unit A of Section 27, Township 18 South, Range 35 East,
Queen formation, Lea County, New Mexico.

(3) That said Mobil 27 State Well No. 1 was spudded on
June 28, 1977, and was completed as a Queen oil well on July 26,
1977.

(4) That the geologic evidence presented established that
the Queen productive interval in said well is a shallow water
sand bar characterized by limited areal extent.

(5) That while this interval of the Queen formation had
been penetrated by a number of other wells within 2 1/2 miles
of said Mobil 27 State Well No. 1, only one other well could
have produced from, or was completed in, or actually produced
from, said interval at the time of its completion, and that well

-2-

Case No. 6482

Order No. R-5985

is completed in a new onshore reservoir, as determined by Order No. R-5984, entered in Case No. 6480.

(6) That the weight of the evidence presented establishes that said Mobil 27 State Well No. 1 is completed in a new onshore reservoir from which natural gas had not been produced in commercial quantities before April 20, 1977.

(7) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(8) That said portion of the application should be dismissed.

IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said Mobil 27 State Well No. 1 is hereby dismissed.

(3) That 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


JOE D. RAMEY
Director

td/

Mobil/27 State

C-101 f.l.d 5-24-77 Approved 5-25-77

C-103 spud 8:30am 6-28-77 ^{2nd well}

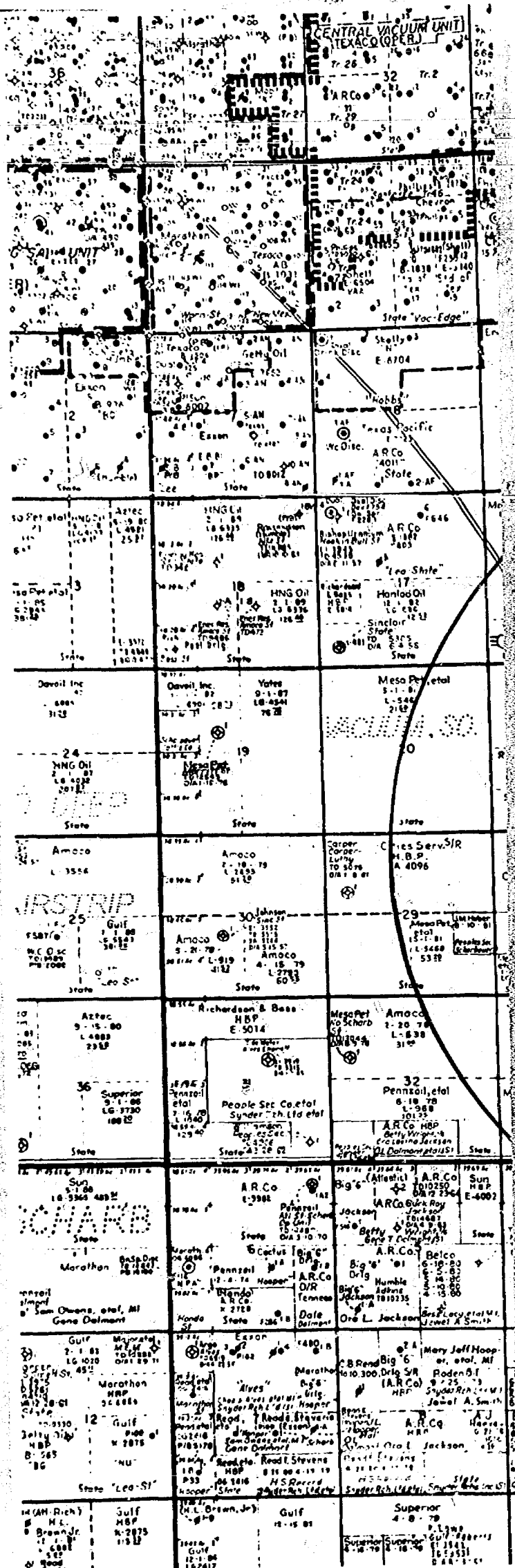
C-104 comp ready to produce 7-25-77

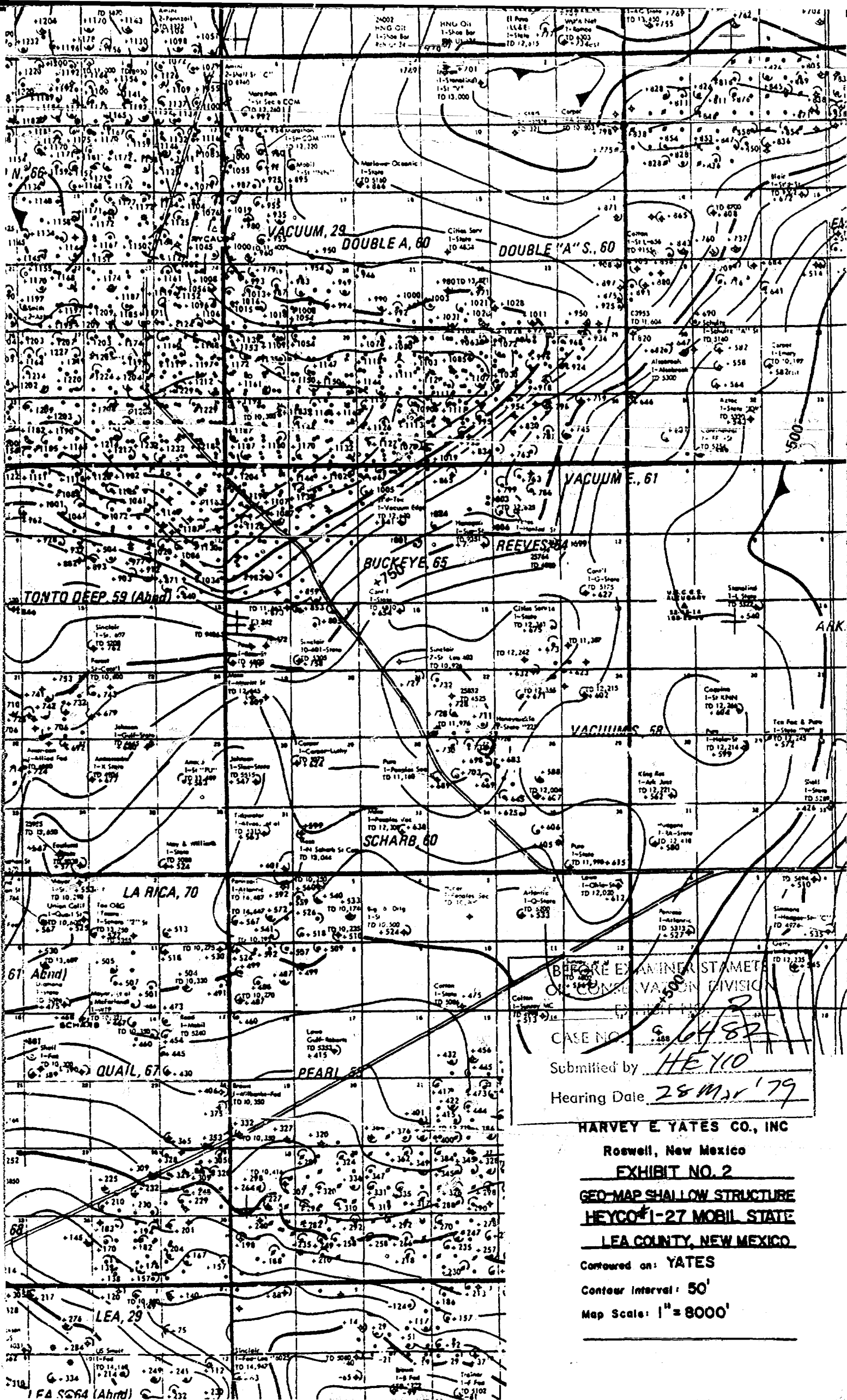
C-105 " " " " 7-26-77

Gas not connect

Notice of gas connection 11-23-78

Stam





BEFORE EXAMINER STAMET
 ON CONSERVATION DIVISION

CASE NO. 6482
 Submitted by HEYCO
 Hearing Date 28 Mar '79

HARVEY E. YATES CO., INC

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE

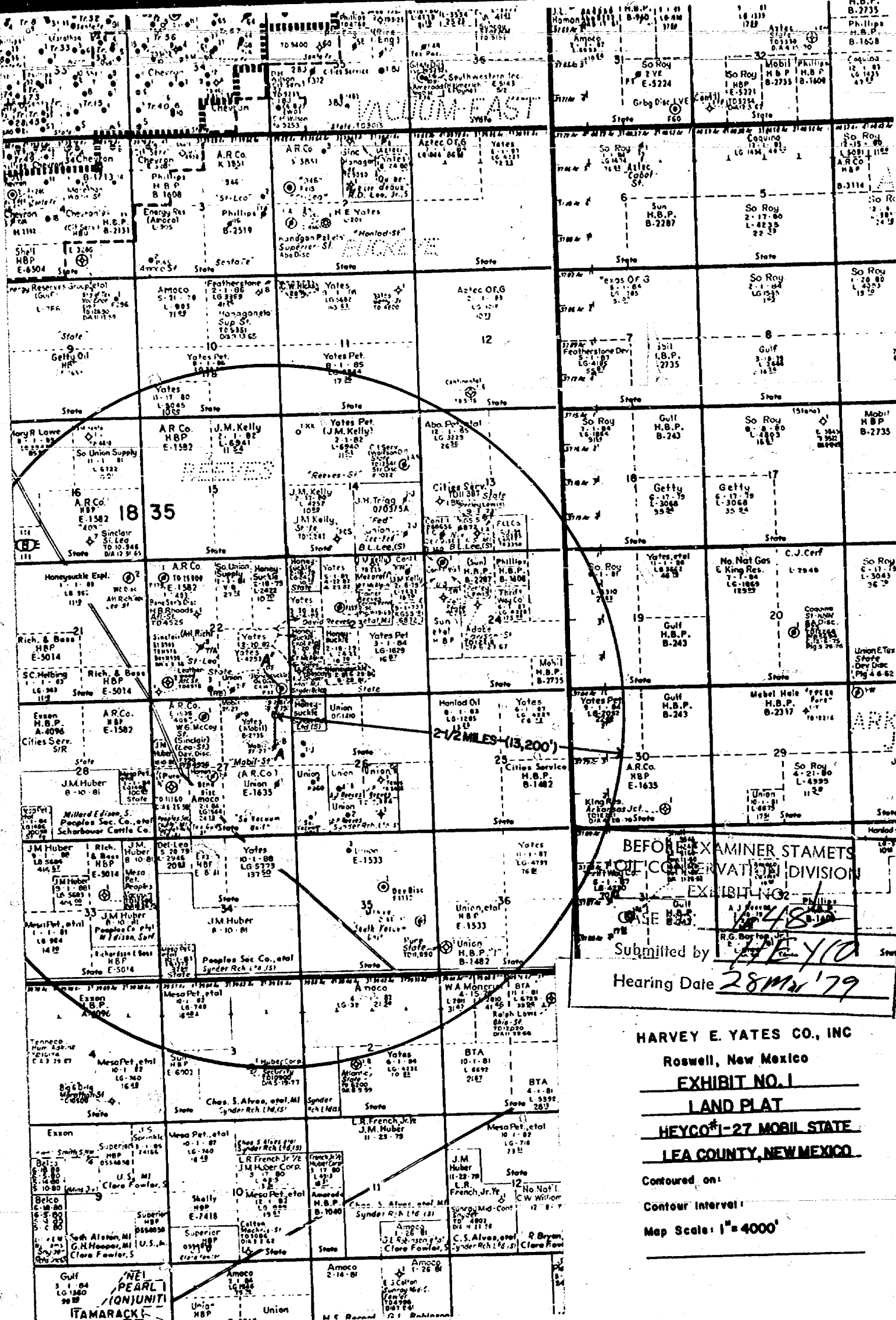
HEYCO #1-27 MOBIL STATE

LEA COUNTY, NEW MEXICO

Contoured on: YATES

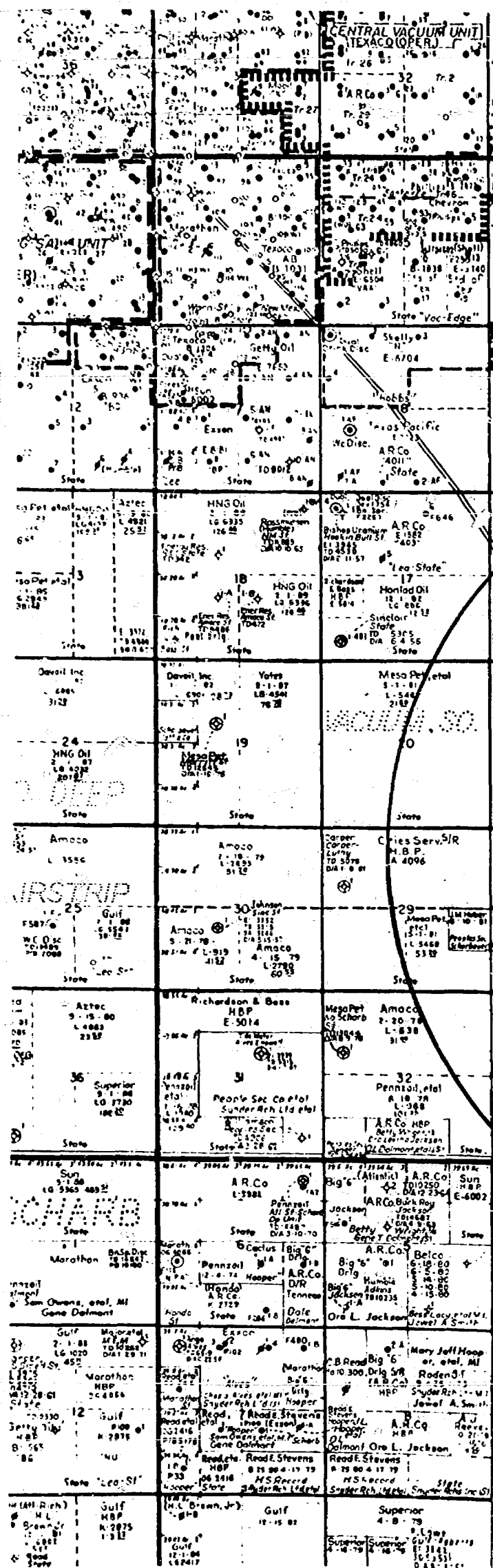
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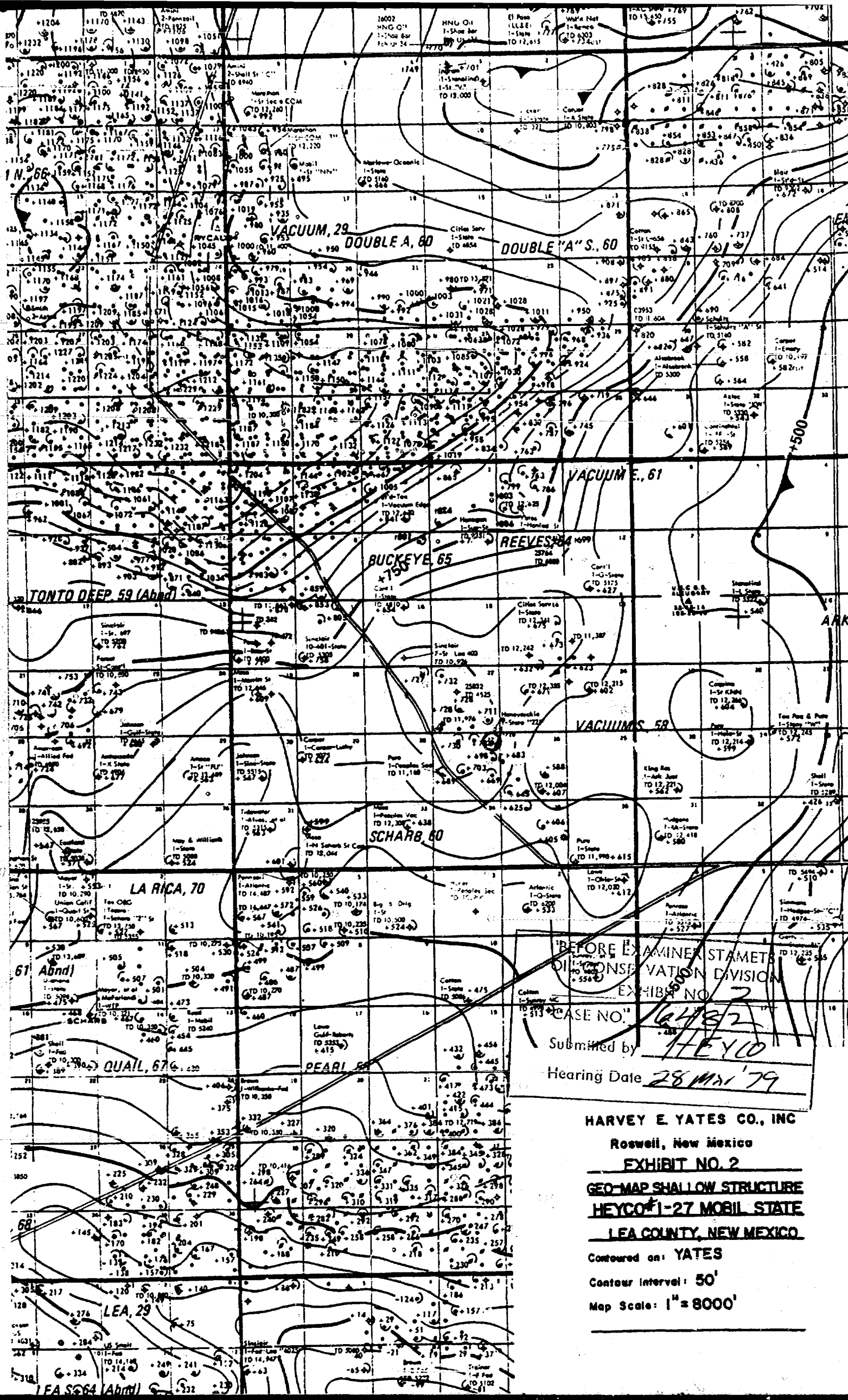
Map Scale: 1" = 8000'



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 1
CASE NO. 1-27 MOBIL STATE
Submitted by Harvey E. Yates Co., Inc.
Hearing Date 28 Mar '79

HARVEY E. YATES CO., INC
Roswell, New Mexico
EXHIBIT NO. 1
LAND PLAT
HEYCO-1-27 MOBIL STATE
LEA COUNTY, NEW MEXICO
Contoured on:
Contour Interval:
Map Scale: 1" = 4000'





BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 2

CASE NO. 16482

Submitted by HEYCO

Hearing Date 28 Mar 79

HARVEY E YATES CO., INC
Roswell, New Mexico
EXHIBIT NO. 2
GEO-MAP SHALLOW STRUCTURE
HEYCO#1-27 MOBIL STATE
LEA COUNTY, NEW MEXICO

Contoured on: YATES

Contour Interval: 50'

Map Scale: 1" = 8000'

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company)
for an NGPA determination, Lea County,)
New Mexico.)

CASE
6482

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3036 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87505

MR. STAMETS: Call next Case 6482.

MS. TESCHENDORF: Case 6482, application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. The applicant has requested that the case be continued to the March 28th Examiner Hearing.

MR. STAMETS: The case will be so continued.

(Hearing concluded)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 411-2467
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

Sally W. Boyd

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Division hearing of Case No. 6483
heard by me on 2-28-77.

Richard L. Stearns, Exam.
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (505) 471-4462
Santa Fe, New Mexico 87501

Dockets Nos. 14-79 and 15-79 are tentatively set for hearing on April 11 and 18, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 28, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6500:** Application of Gulf Oil Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Central Brinkard Unit located in Sections 28, 29, 32 and 33, Township 21 South, Range 37 East, Lea County, New Mexico, which could not be so drained by the existing wells.
- CASE 6501:** Application of Delta Drilling Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the Williamson State Unit Well No. 1, the surface location of which is 660 feet from the North and West lines of Section 30, Township 16 South, Range 33 East, Lea County, New Mexico, and directionally drill said well in such a manner as to bottom it in the Morrow formation within 100 feet of a point 1980 feet from the North and West lines of said Section 30, the N/2 of the section to be dedicated to the well.
- CASE 6502:** Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6503:** Application of Sundance Oil Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4207 feet to 4228 feet in its Cone Federal Well No. 8 located in Unit P of Section 31, Township 7 South, Range 32 East, Tomahawk-San Andres Pool, Roosevelt County, New Mexico.
- CASE 6504:** Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area No. 2, comprising 23,009 acres, more or less, of Federal and State lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6505:** Application of Doyle Hartman for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool in Lea County, New Mexico, to include the lowermost 200 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the following described lands in Township 23 South, Range 36 East: Section 35: SW/4, S/2 SE/4, and NW/4 SE/4; Section 36: W/2 SW/4; and in Township 24 South, Range 36 East: Section 1: NW/4, S/2 N3/4, and NW/4 NE/4; Section 2: W/2.
- CASE 6506:** Application of Bedford, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit C of Section 8, Township 26 North, Range 12 West, WAW-Fruitland Pictured Cliffs Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6507:** Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6508:** Application of Harvey E. Yates Company for an unorthodox well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 62.75-acre non-standard gas proration unit comprising Lots 1 and 2 of Section 19, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to its Depco Federal Well No. 1 to be located 330 feet from the North line and 650 feet from the West line of said Section 19.

CASE 6509: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new gas pool in the Yates formation for its Depco Federal Well No. 1 located in Unit D of Section 19, Township 18 South, Range 29 East, Eddy County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre gas well spacing.

CASE 6480: (Continued from February 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

CASE 6482: (Continued from February 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

CASE 6072: (Continued from March 14, 1979, Examiner Hearing)

In the matter of Case 6072 being reopened pursuant to the provisions of Order No. R-5643 which order created the Travis-Upper Pennsylvanian Pool, Eddy County, New Mexico, with provisions for 80-acre spacing. All interested parties may appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

CASE 6492: (Continued from March 14, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6510: 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 for the Wolfcamp through Mississippian formations of its Rio Pecos Federal "KO" Well No. 1, to be located 660 feet from the North line and 1300 feet from the East line of Section 28, Township 18 South, Range 27 East, Eddy County, New Mexico; the E/2 of said Section 28 to be dedicated to the well.

CASE 6511: Application of Yates Petroleum Corporation for a dual completion and downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Tom Brown "GO" Com. Well No. 1 located in Unit C of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, to produce gas from the Lower Morrow formation through tubing and to commingle and produce the Strawn and Upper Morrow zones in the annulus of said well.

CASE 6512: 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 Hilliard "BF" Federal Well No. 2, to be located 330 feet from the North line and 2310 feet from the West line of Section 14, Township 21 South, Range 22 East, to test the Wolfcamp through Mississippian formations, Eddy County, New Mexico, the W/2 of said Section 14 to be dedicated to the well.

CASE 6513: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Stebbins GQ Fed. Well No. 1 located in Unit B of Section 20, Township 20 South, Range 29 East, East Burton Flats Field, Eddy County, New Mexico.

CASE 6514: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of North Burton Flats-Atoka and East Burton Flats-Morrow production in the wellbore of its Williamson BC Fed. Well No. 4 located in Unit K of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico.

CASE 6515: Application of Southland Royalty Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 31, Township 31 North, Range 11 West, San Juan County, New Mexico, to be dedicated to its Grenier Well No. 23 drilled at a location 1190 feet from the South and West lines of said Section 31. 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 applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6516: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Maduro Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Township 19 South, Range 33 East, Lea County, New Mexico.

CASE 6452: (Continued and Readvertised)

Application of Burleson & Huff for a non-standard gas proration unit and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 25, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant further seeks a finding that the recompletion of its Harrison Well No. 2 located in Unit N or in the alternative, the drilling of its Harrison Well No. 4 in Unit L, of Section 25 is necessary to effectively and efficiently drain that portion of the previously approved 160-acre proration unit which cannot be drained by the old unit well.

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201



March 13, 1979

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

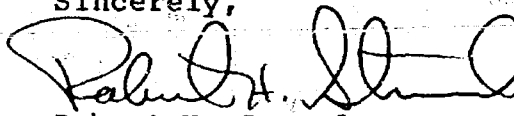
Attention: Mr. Richard Stamets

Re: Mobil 27 #1
NGPA Application
Docket #6482

Dear Dick:

Enclosed are geological exhibits to be filed with the Application in the above referenced case which was submitted to you previously. This case has been set for examiner hearing on March 28, 1979.

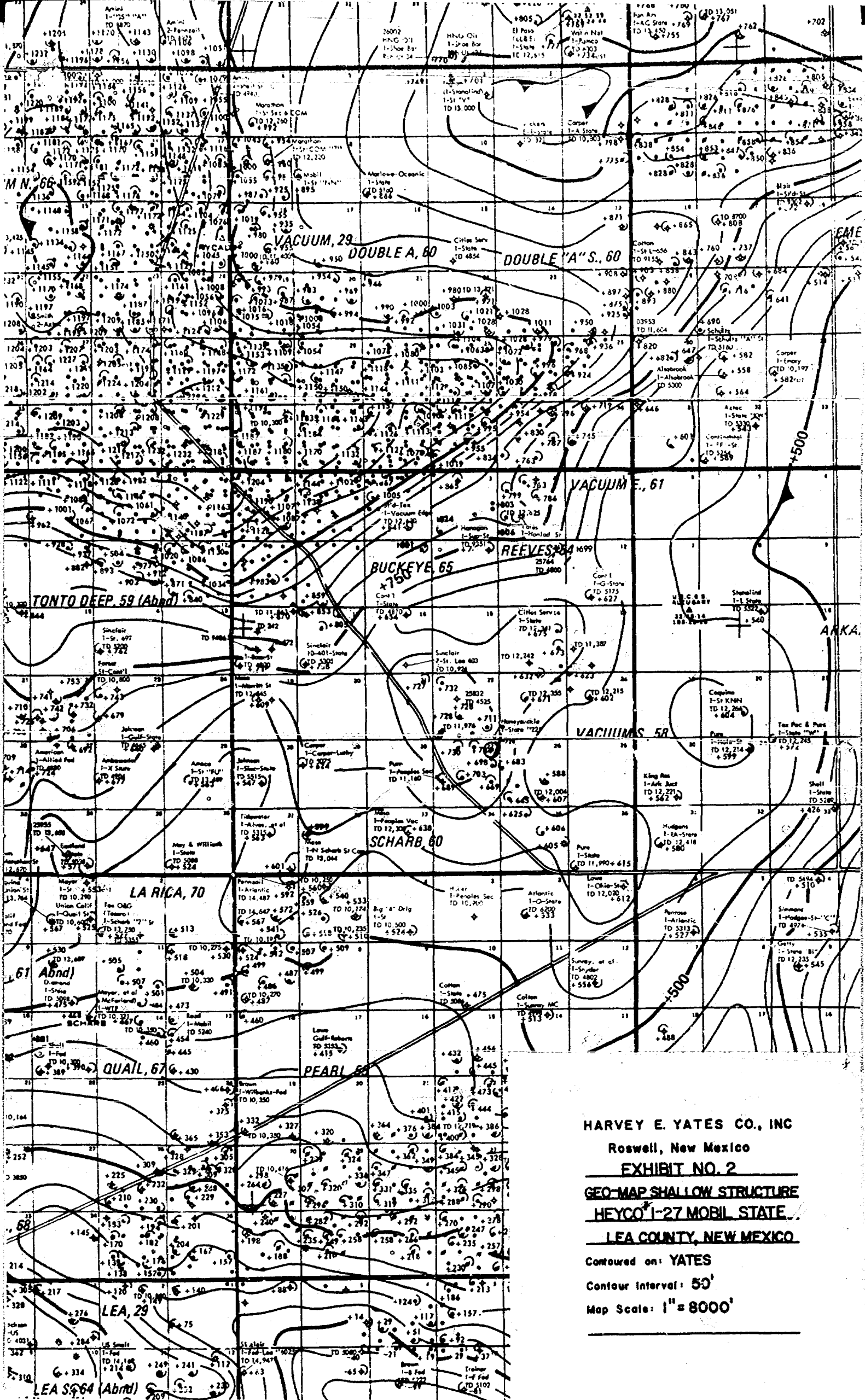
Sincerely,

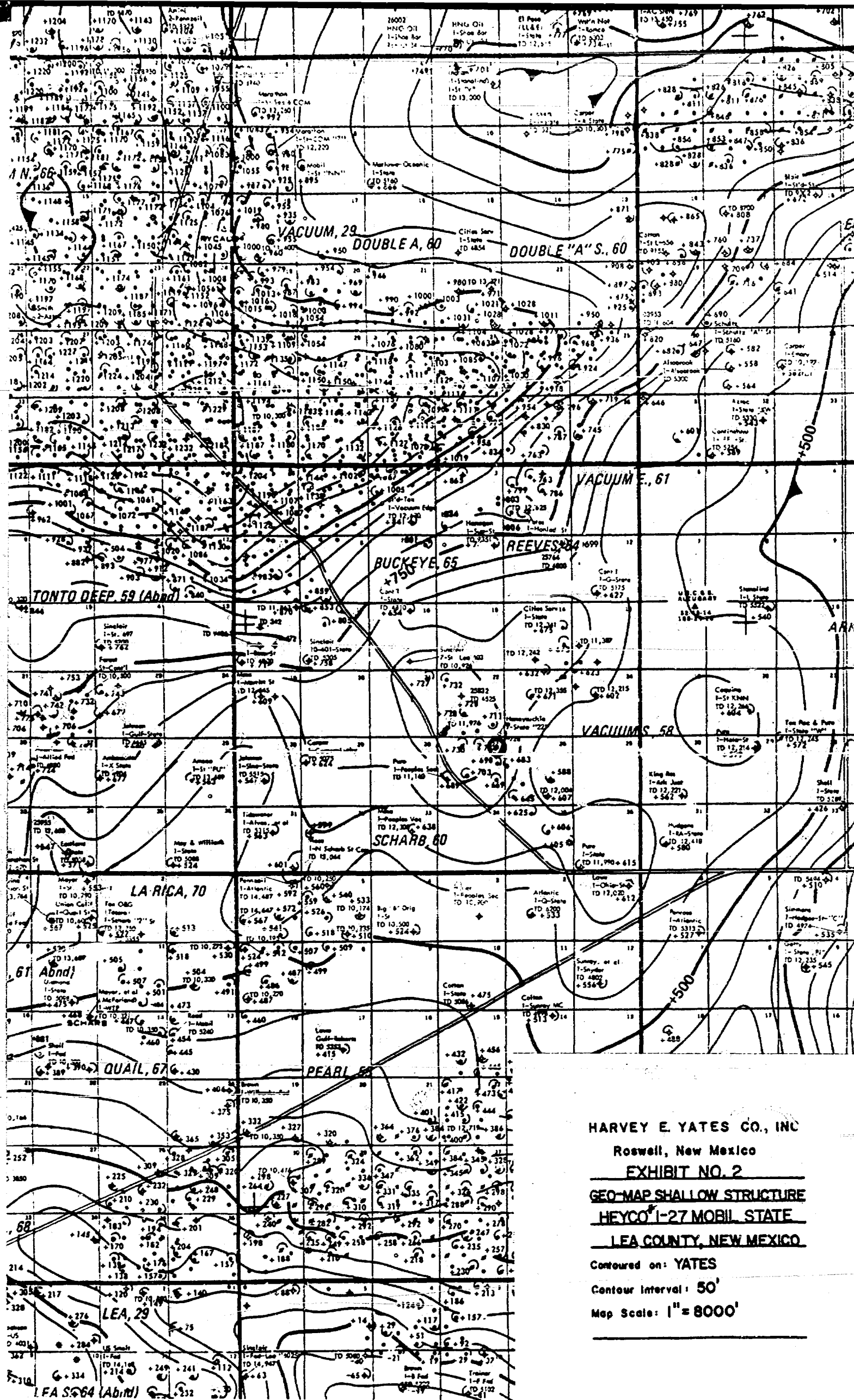


Robert H. Strand

RHS/lh

Enclosure





HARVEY E. YATES CO., INC

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE

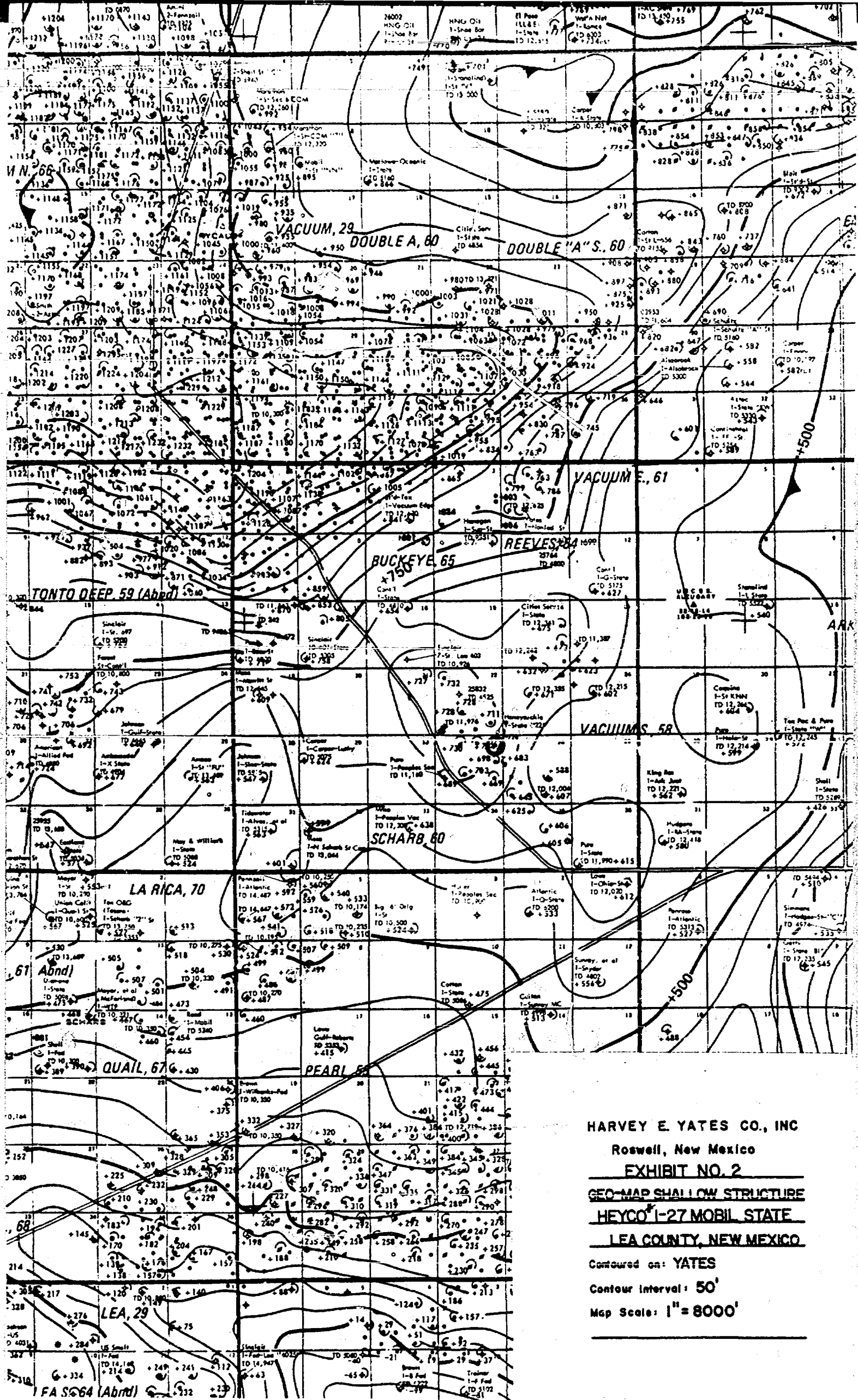
HEYCO I-27 MOBIL STATE

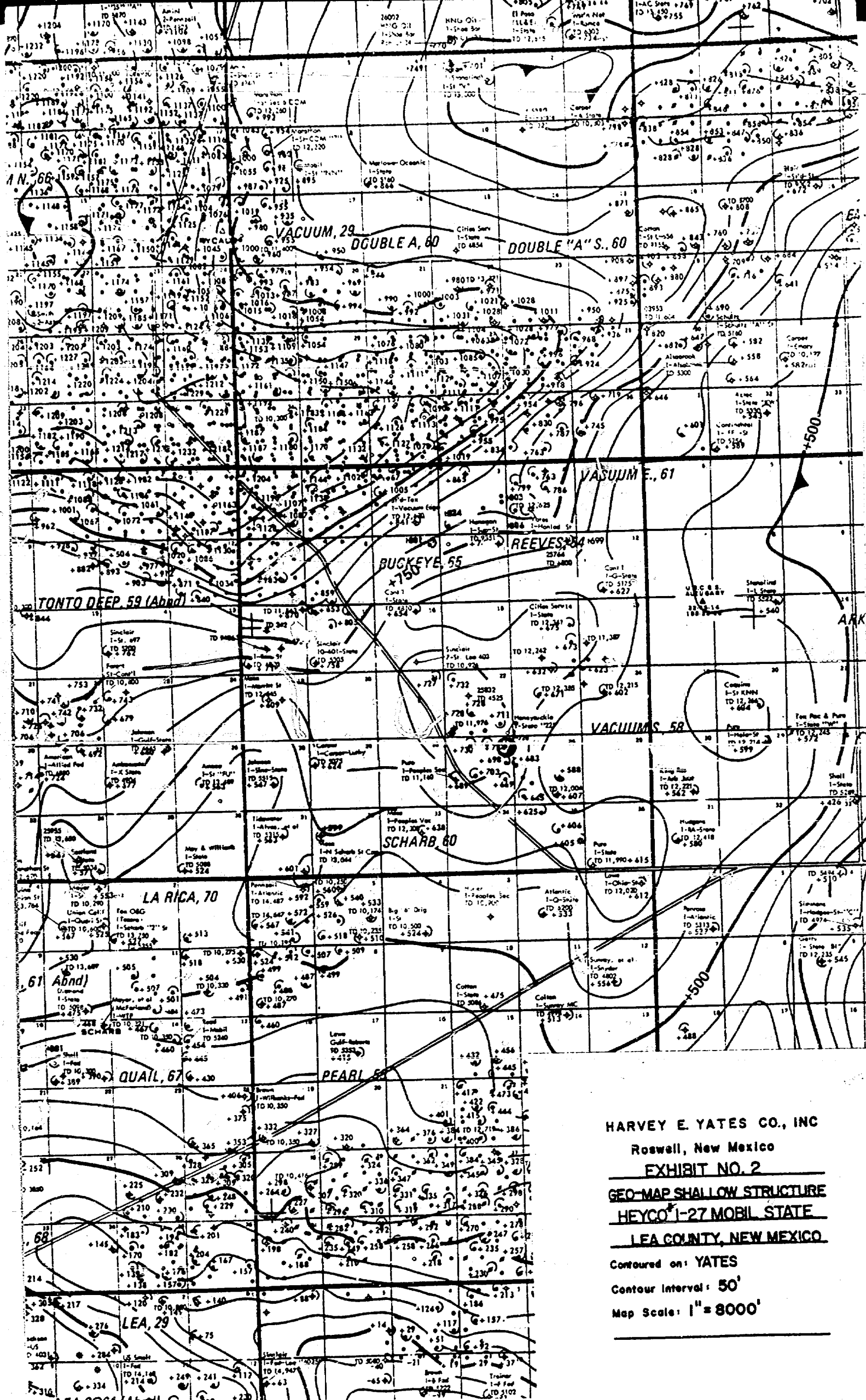
LEA COUNTY, NEW MEXICO

Contoured on: YATES

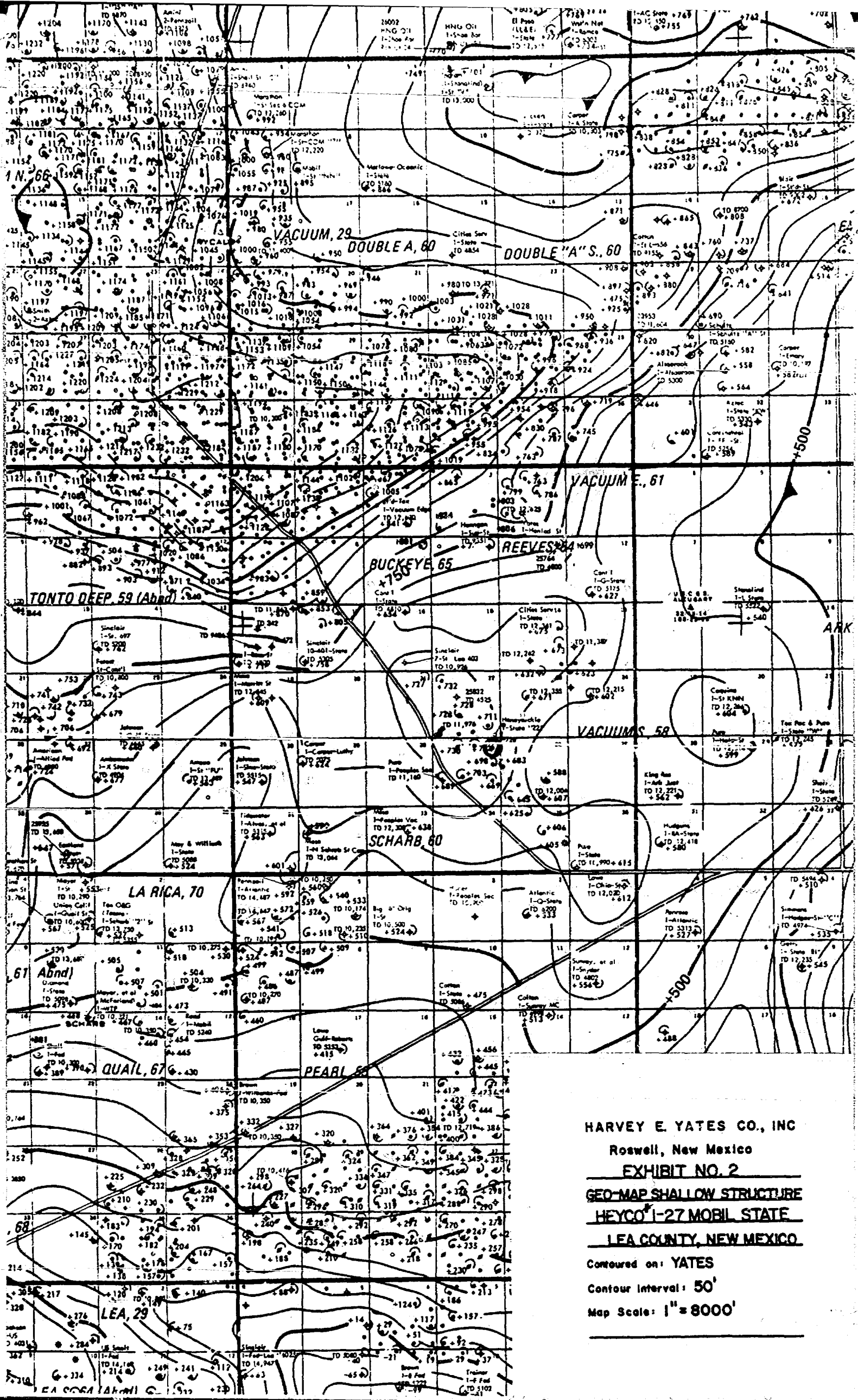
Contour Interval: 50'

Map Scale: 1" = 8000'





HARVEY E. YATES CO., INC
 Roswell, New Mexico
 EXHIBIT NO. 2
 GEO-MAP SHALLOW STRUCTURE
 HEYCO I-27 MOBIL STATE
 LEA COUNTY, NEW MEXICO
 Contoured on: YATES
 Contour Interval: 50'
 Map Scale: 1" = 8000'



HARVEY E. YATES CO., INC

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE

HEYCO I-27 MOBIL STATE

LEA COUNTY, NEW MEXICO

Contoured on: YATES

Contour Interval: 50'

Map Scale: 1" = 8000'

Application of
Harvey E. Yarn Co for an

NGPA determination Rea Co

~~Applicant~~ ^{in the same styled case,} seeks a
new onshore reservoir or new onshore well
determination for its Mobil 27 State Well #1
completed in Queen form in Unit A Sec 27
T18S R35E Rea Co

same thing for

State 22 Well No 1 loc in P-22-18-35

also for

~~that~~ Hauled St #1 K 2-18-35

Boa Strand 10:55 a 2/6/77

Docket Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6422: (Continued from January 31, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6434: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6435: (Continued from February 14, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6436: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlisue State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6475:** Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6476:** Application of Pennzoil Company 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 located 660 feet from the South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477:** Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437:** (Continued and Readvertised)
- Application of Curt's Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6478:** Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6479:** Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6480:** Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481:** Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Haulad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482:** Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483:** Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, Township 14 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6486: Application of Depco Inc. for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.
- CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

ROUGH

or/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6482

Order No. R-5985

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of April, 19 79, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks a
new onshore reservoir or in the alternative a new onshore
production well determination for its Mobil 27 State Well No. 1
located in Unit A of Section 27, Township 18 South, Range 35 East,
Queen formation, Lea County, New Mexico.

*Flourine
need Order No. in
Case 6480 to insert
in Finding No. 5*

(3) That said Mobil 27 State Well No. 1 was spudded on June 28, 1977, and was completed as a ~~s. ut-in-wildcat~~ Queen oil well on July 26, 1977.

(4) That the geologic evidence presented established that the Queen productive interval ^{in said well} is a shallow water sand bar characterized by limited areal extent.

(5) That while ^{this interval of} the Queen Formation had been penetrated by a number of other wells within 2½ miles of said Mobil 27 State Well No. 1, only one other well could have produced from, or was completed in, or actually produced from, said ~~formation~~ ^{at the time of its completion,} interval, and that well is completed in a new onshore reservoir, as determined by Order No. R-5984, entered in ~~Case No.~~ 6480.

(6) That the weight of the evidence presented establishes that said Mobil 27 State Well No. 1 ^{is completed in} ~~has encountered~~ a new onshore reservoir from which natural gas ^{had not been} ~~was not~~ produced in commercial quantities before April 20, 1977.

(7) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(8) That said portion of the application should be dismissed.

IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said Mobil 27 State Well No. 1 is hereby dismissed.

(3) That 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.