

CASE 6681: YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

CASE NO.

6681

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-) CASE
ation for an unorthodox gas well loca-) 6681
tion, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: Chad Dickerson, Esq.
LOSEE, CARSON & DICKERSON
P. O. Drawer 239
Artesia, New Mexico 88210

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

I N D E X

MARK WILSON

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Stamets 9

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Structure Map 5

Applicant Exhibit Three, Cross Section 7

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6681.

2 MR. PADILLA: Application of Yates Petro-
3 leum Corporation for an unorthodox gas well location, Eddy
4 County, New Mexico.

5 MR. DICKERSON: Mr. Examiner, my name is
6 Chad Dickerson with the law firm of Losee, Carson, and
7 Dickerson, Artesia, New Mexico, on behalf of the applicant.
8 We have one witness.

9 MR. STAMETS: Any other appearances in this
10 case? I'd like to have the witness stand and be sworn,
11 please.

12
13 (Witness sworn.)

14
15 MARK WILSON
16 being called as a witness and having been duly sworn upon
17 his oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. DICKERSON:

21 Q Will you state your name and address,
22 please?

23 A My name is Mark Wilson, 1705 Briscoe Avenue,
24 Artesia, New Mexico.

25 Q What is your occupation, Mr. Wilson?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3036 Plaza Blanca (985) 471-2462
Santa Fe, New Mexico 87501

1 A. Independent Geologist.

2 Q. And by whom are you employed?

3 A. Self-employed, representing Yates Petroleum
4 today.

5 Q. Have you previously testified before the
6 Division and had your qualifications accepted?

7 A. I have.

8 MR. DICKERSON: Is this witness considered
9 qualified?

10 MR. STAMETS: He is.

11 Q. (Mr. Dickerson continuing.) Mr. Wilson,
12 will you briefly describe the purpose of this hearing today?

13 A. Okay. In Case 6681 Yates Petroleum Cor-
14 poration, operator for the Costa Plente working interest
15 unit, requests approval of the unorthodox gas well location
16 of the Metcalfe Com LT No. 1 to be drilled 660 feet from the
17 south line and 1100 feet from the west line of Section 31,
18 Township 18 South, Range 26 East, Four Mile Draw Morrow West
19 Field, Eddy County, New Mexico.

20 The south half of said Section 31 is to be
21 dedicated to the well.

22 Q. Mr. Wilson, have you prepared the exhibits
23 upon which you intend to rely today?

24 A. I have prepared them myself.

25 Q. Will you refer to Exhibit Number One, and

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SSE) 471-3462
Santa Fe, New Mexico 87501

1 describe what that depicts?

2 A Exhibit Number One is a land plat showing
3 the proposed drill site and the outline of the Costa Plente
4 Unit in red and 80 acres of option acreage in yellow.

5 Q Will you refer to Exhibit Number Two and
6 describe what that reflects?

7 A Exhibit Two shows in solid contours with
8 a 50-foot contour interval the total thickness of the Morrow
9 series.

10 The dashed contours with the 100-foot
11 contour interval shows structure on top of the Atoka series.

12 The proposed drill site is in the West
13 Atoka alluvial valley. A pronounced north/south Morrow
14 thick, colored yellow, in the west part of Exhibit Two.

15 This well is expected to encounter an
16 18-foot thick channel sandstone in the Morrow B zone pre-
17 viously found in Dorchester Liggett No. 1, 1980 feet from
18 the south and east lines, Section 6, 19 South, 26 East.

19 The expected trend of this channel sand-
20 stone is shown in orange, the western branch, on enclosure
21 two. From this sand the Liggett Well flowed 2.7-million
22 cubic feet of gas a day on a 10/64ths choke, but about two
23 days after being placed on production it started making
24 large quantities of water and has continued to do so.

25 Our location should be 100 feet structurally

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (686) 471-2462
Santa Fe, New Mexico 87501

1 high to this well.

2 A second branch of this orange B Zone
3 channel system is also shown on Exhibit Two. Dorchester
4 made a water-free gas completion in this branch in Section
5 5, 19, 26. Depletion is in a more advanced state in this
6 sand.

7 Our proposed location should also penetrate
8 one or more channel sandstones in the Morrow A Zone, in an
9 alluvial deltaic facies, colored ochre on enclosure two.
10 Such A Zone channels were penetrated in wells in Section 7
11 and 18 of 19 South, 26 East, where they are water-bearing
12 but have gas shows.

13 Our drill site should be 150 feet high to
14 the well in Section 7.

15 This alluvial deltaic facies is replaced
16 to the east by a gas-bearing but only moderately permeable
17 barrier beach facies and Dorchester Losee No. 1, 1650 feet
18 from the north line and 1980 feet from the east line, of
19 Section 6, 19 South, 26 East, and in Meier Costa Plente No. 1
20 990 feet from the north and east lines of Section 32, 18 South,
21 26 East.

22 This barrier beach trend -- this barrier
23 beach trends nearly normal to the alluvial facies. The
24 proposed drill site in the West Atoka alluvial valley should
25 also find one or more gas-bearing channel sandstones in the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

1 Lower Morrow. Such sandstones were found in the Lower
2 Morrow in the two wells in Section 6.

3 Q Mr. Wilson, will you please now refer to
4 what is marked Exhibit Three and describe for the Examiner
5 what that exhibit displays?

6 A Exhibit Three is a north/south strati-
7 graphic cross section, the location of which is shown on the
8 Exhibit Two. It's a dark line there, it's a little hard
9 to make out, but basically a north/south section.

10 The datum is the top of the Morrow B Zone.
11 The West Atoka, the Nix-Arnquist alluvial valley, are shown
12 with the ridge separating them at the Dorchester Losee No. 1
13 Well, which is about the middle of the cross section.

14 Of incidental interest, the thick Nix-
15 Arnquist channel sandstone is colored blue on the right
16 side, or north end of the cross section. Within the Morrow
17 A Zone the two principal facies are shown. The gas-bearing
18 Costa Plente barrier beach, colored ochre, that's on the
19 righthand side of the section, of the Lower A Zone is present
20 in Dorchester Losee No. 1 and Meier Costa Plente No. 1.
21 This sand was damaged in both of these wells during drilling
22 and attempted completion operations.

23 An alluvial deltaic facies is present at
24 the same stratigraphic level in Dorchester Secrest No. 1
25 and Coquina Santa Fe No. 1 in the west alluvial valley, the

1 West Atoka alluvial valley.

2 We have elected to drill for this Morrow
3 permeable alluvial facies. The main B Zone channel sandstone
4 objective is shown in orange in Dorchester Liggett No. 1,
5 labeled B-1 Channel Sandstone.

6 Our drill site is more nearly -- excuse
7 me. In this well, the well was completed as a gas well and
8 later went to water about two days after it was completed,
9 so we're getting up-dip about 100 feet on perim (sic) as
10 shown on enclosure two to this well. Also shown are the
11 lower gas-bearing Morrow sands, colored yellow, in Dorchester
12 Secrest No. 1 and Dorchester Losee No. 1.

13 Our drill site is more nearly in the axis
14 of the West Atoka alluvial valley, so the Morrow should be
15 thicker, and more Lower Morrow Sand should be present.

16 In summary, it is my opinion that our pro-
17 posed drill site offers the best chance to penetrate the most
18 Morrow reservoirs, in a favorable structure position, and it
19 should therefore offer the best -- best chance to drain these
20 reservoirs and protect the correlative rights of those
21 having royalty and other interests in the south half of
22 Section 31, Township 18 South, 26 East.

23 Q In your opinion will the granting of this
24 application, Mr. Wilson, prevent waste and protect correla-
25 tive rights?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
303 Plaza Blanca (S96) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (695) 471-2462
Santa Fe, New Mexico 87501

1 A. I believe so.

2 MR. DICKERSON: Mr. Examiner, we would

3 move the admission of Exhibits One, Two, and Three into

4 evidence.

5 MR. STAMETS: These exhibits will be ad-

6 mitted.

7 MR. DICKERSON: And that's all the direct

8 we have.

9 MR. STAMETS: Any questions of the witness?

10

11 CROSS EXAMINATION

12 BY MR. STAMETS:

13 Q. Your testimony, Mr. Wilson, was primarily

14 related to the Morrow formation. I presume Yates would

15 still seek to have this location apply to the Wolfcamp

16 through Mississippian zones.

17 A. Well, that's correct. I think in the

18 original application that they stated it would be Wolfcamp

19 down through Mississippian.

20 MR. STAMETS: Any other questions of the

21 witness? He may be excused.

22 Anything further in this case?

23 The case will be taken under advisement.

24

25 (Hearing concluded.)

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 from
my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6681
heard by me on 10-2 1979.
Richard H. [Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (695) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-) CASE
ation for an unorthodox gas well loca-) 6681
tion, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Chad Dickerson, Esq.
LOSEE, CARSON & DICKERSON
P. O. Drawer 239
Artesia, New Mexico 88210

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

MARK WILSON

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Stamets 9

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Structure Map 5

Applicant Exhibit Three, Cross Section 7

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3938 Plaza Blanca (998) 471-3463
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. STAMETS: Call next Case 6681.

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

MR. DICKERSON: Mr. Examiner, my name is Chad Dickerson with the law firm of Losee, Carson, and Dickerson, Artesia, New Mexico, on behalf of the applicant. We have one witness.

MR. STAMETS: Any other appearances in this case? I'd like to have the witness stand and be sworn, please.

(Witness sworn.)

MARK WILSON

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name and address, please?

A My name is Mark Wilson, 1705 Briscoe Avenue, Artesia, New Mexico.

Q What is your occupation, Mr. Wilson?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-2462
Santa Fe, New Mexico 87501

1 A Independent Geologist.

2 Q And by whom are you employed?

3 A Self-employed, representing Yates Petroleum

4 today.

5 Q Have you previously testified before the

6 Division and had your qualifications accepted?

7 A I have.

8 MR. DICKERSON: Is this witness considered

9 qualified?

10 MR. STAMETS: He is.

11 Q (Mr. Dickerson continuing.) Mr. Wilson,

12 will you briefly describe the purpose of this hearing today?

13 A Okay. In Case 6681 Yates Petroleum Cor-

14 poration, operator for the Costa Plente working interest

15 unit, requests approval of the unorthodox gas well location

16 of the Metcalfe Com LT No. 1 to be drilled 660 feet from the

17 south line and 1100 feet from the west line of Section 31,

18 Township 18 South, Range 26 East, Four Mile Draw Morrow West

19 Field, Eddy County, New Mexico.

20 The south half of said Section 31 is to be

21 dedicated to the well.

22 Q Mr. Wilson, have you prepared the exhibits

23 upon which you intend to rely today?

24 A I have prepared them myself.

25 Q Will you refer to Exhibit Number One, and

1 describe what that depicts?

2 A Exhibit Number One is a land plat showing
3 the proposed drill site and the outline of the Costa Plente
4 Unit in red and 80 acres of option acreage in yellow.

5 Q Will you refer to Exhibit Number Two and
6 describe what that reflects?

7 A Exhibit Two shows in solid contours with
8 a 50-foot contour interval the total thickness of the Morrow
9 series.

10 The dashed contours with the 100-foot
11 contour interval shows structure on top of the Atoka series.

12 The proposed drill site is in the West
13 Atoka alluvial valley. A pronounced north/south Morrow
14 thick, colored yellow, in the west part of Exhibit Two.

15 This well is expected to encounter an
16 18-foot thick channel sandstone in the Morrow B zone pre-
17 viously found in Dorchester Liggett No. 1, 1980 feet from
18 the south and east lines, Section 6, 19 South, 26 East.

19 The expected trend of this channel sand-
20 stone is shown in orange, the western branch, on enclosure
21 two. From this sand the Liggett Well flowed 2.7-million
22 cubic feet of gas a day on a 10/64ths choke, but about two
23 days after being placed on production it started making
24 large quantities of water and has continued to do so.

25 Our location should be 100 feet structurally

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

1 high to this well.

2 A second branch of this orange B Zone
3 channel system is also shown on Exhibit Two. Dorchester
4 made a water-free gas completion in this branch in Section
5 5, 19, 26. Depletion is in a more advanced state in this
6 sand.

7 Our proposed location should also penetrate
8 one or more channel sandstones in the Morrow A Zone, in an
9 alluvial deltaic facies, colored ochre on enclosure two.
10 Such A Zone channels were penetrated in wells in Section 7
11 and 18 of 19 South, 26 East, where they are water-bearing
12 but have gas shows.

13 Our drill site should be 150 feet high to
14 the well in Section 7.

15 This alluvial deltaic facies is replaced
16 to the east by a gas-bearing but only moderately permeable
17 barrier beach facies and Dorchester Losee No. 1, 1650 feet
18 from the north line and 1980 feet from the east line, of
19 Section 6, 19 South, 26 East, and in Meier Costa Plente No. 1
20 990 feet from the north and east lines of Section 32, 18 South,
21 26 East.

22 This barrier beach trend -- this barrier
23 beach trends nearly normal to the alluvial facies. The
24 proposed drill site in the West Atoka alluvial valley should
25 also find one or more gas-bearing channel sandstones in the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (695) 471-5402
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (995) 471-2462
Santa Fe, New Mexico 87501

1 Lower Morrow. Such sandstones were found in the Lower
2 Morrow in the two wells in Section 6.

3 Q Mr. Wilson, will you please now refer to
4 what is marked Exhibit Three and describe for the Examiner
5 what that exhibit displays?

6 A Exhibit Three is a north/south strati-
7 graphic cross section, the location of which is shown on the
8 Exhibit Two. It's a dark line there, it's a little hard
9 to make out, but basically a north/south section.

10 The datum is the top of the Morrow B Zone.
11 The West Atoka, the Nix-Arnquist alluvial valley, are shown
12 with the ridge separating them at the Dorchester Losee No. 1
13 Well, which is about the middle of the cross section.

14 Of incidental interest, the thick Nix-
15 Arnquist channel sandstone is colored blue on the right
16 side, or north end of the cross section. Within the Morrow
17 A Zone the two principal facies are shown. The gas-bearing
18 Costa Plente barrier beach, colored ochre, that's on the
19 righthand side of the section, of the Lower A Zone is present
20 in Dorchester Losee No. 1 and Meier Costa Plente No. 1.
21 This sand was damaged in both of these wells during drilling
22 and attempted completion operations.

23 An alluvial deltaic facies is present at
24 the same stratigraphic level in Dorchester Secrest No. 1
25 and Coquina Santa Fe No. 1 in the west alluvial valley, the

1 West Atoka alluvial valley.

2 We have elected to drill for this Morrow
3 permeable alluvial facies. The main B Zone channel sandstone
4 objective is shown in orange in Dorchester Liggett No. 1,
5 labeled B-1 Channel Sandstone.

6 Our drill site is more nearly -- excuse
7 me. In this well, the well was completed as a gas well and
8 later went to water about two days after it was completed,
9 so we're getting up-dip about 100 feet on perim (sic) as
10 shown on enclosure two to this well. Also shown are the
11 lower gas-bearing Morrow sands, colored yellow, in Dorchester
12 Secrest No. 1 and Dorchester Losee No. 1.

13 Our drill site is more nearly in the axis
14 of the West Atoka alluvial valley, so the Morrow should be
15 thicker, and more Lower Morrow Sand should be present.

16 In summary, it is my opinion that our pro-
17 posed drill site offers the best chance to penetrate the most
18 Morrow reservoirs, in a favorable structure position, and it
19 should therefore offer the best -- best chance to drain these
20 reservoirs and protect the correlative rights of those
21 having royalty and other interests in the south half of
22 Section 31, Township 18 South, 26 East.

23 Q In your opinion will the granting of this
24 application, Mr. Wilson, prevent waste and protect correla-
25 tive rights?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (866) 471-2462
Santa Fe, New Mexico 87501

1 A. I believe so.

2 MR. DICKERSON: Mr. Examiner, we would
3 move the admission of Exhibits One, Two, and Three into
4 evidence.

5 MR. STAMETS: These exhibits will be ad-
6 mitted.

7 MR. DICKERSON: And that's all the direct
8 we have.

9 MR. STAMETS: Any questions of the witness?

10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q Your testimony, Mr. Wilson, was primarily
13 related to the Morrow formation. I presume Yates would
14 still seek to have this location apply to the Wolfcamp
15 through Mississippian zones.
16

17 A Well, that's correct. I think in the
18 original application that they stated it would be Wolfcamp
19 down through Mississippian.

20 MR. STAMETS: Any other questions of the
21 witness? He may be excused.

22 Anything further in this case?

23 The case will be taken under advisement.

24
25 (Hearing concluded.)

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 from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (SSE) 411-2462
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

October 18, 1979

Mr. Chad Dickerson
Rosee, Carson & Dickerson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: CASE NO. 6681
ORDER NO. R-6146

Applicant:

Yates Petroleum Corporation

Dear Sir:

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

~~Yours very truly,~~

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u> x </u>
Artesia OCD	<u> x </u>
Aztec OCD	<u> </u>

Other

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. 6681
Order No. R-6146

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 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, Yates Petroleum Corporation,
seeks approval of an unorthodox gas well location 660 feet
from the South line and 1100 feet from the West line of Section
31, Township 18 South, Range 26 East, NMPM, to test the Wolf-
camp through Mississippian formations, Four Mile Draw Field,
Eddy County, New Mexico.
- (3) That the S/2 of said Section 31 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 un-
orthodox location.

-2-

Case No. 6681
Order No. R-6146

(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.

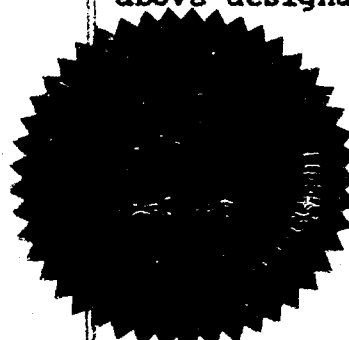
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp through Mississippian formations is hereby approved for a well to be located at a point 660 feet from the South line and 1100 feet from the West line of Section 31, Township 18 South, Range 26 East, NMPM, Four Mile Draw Field, Eddy County, New Mexico.

(2) That the S/2 of said Section 31 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 Division may deem necessary.

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

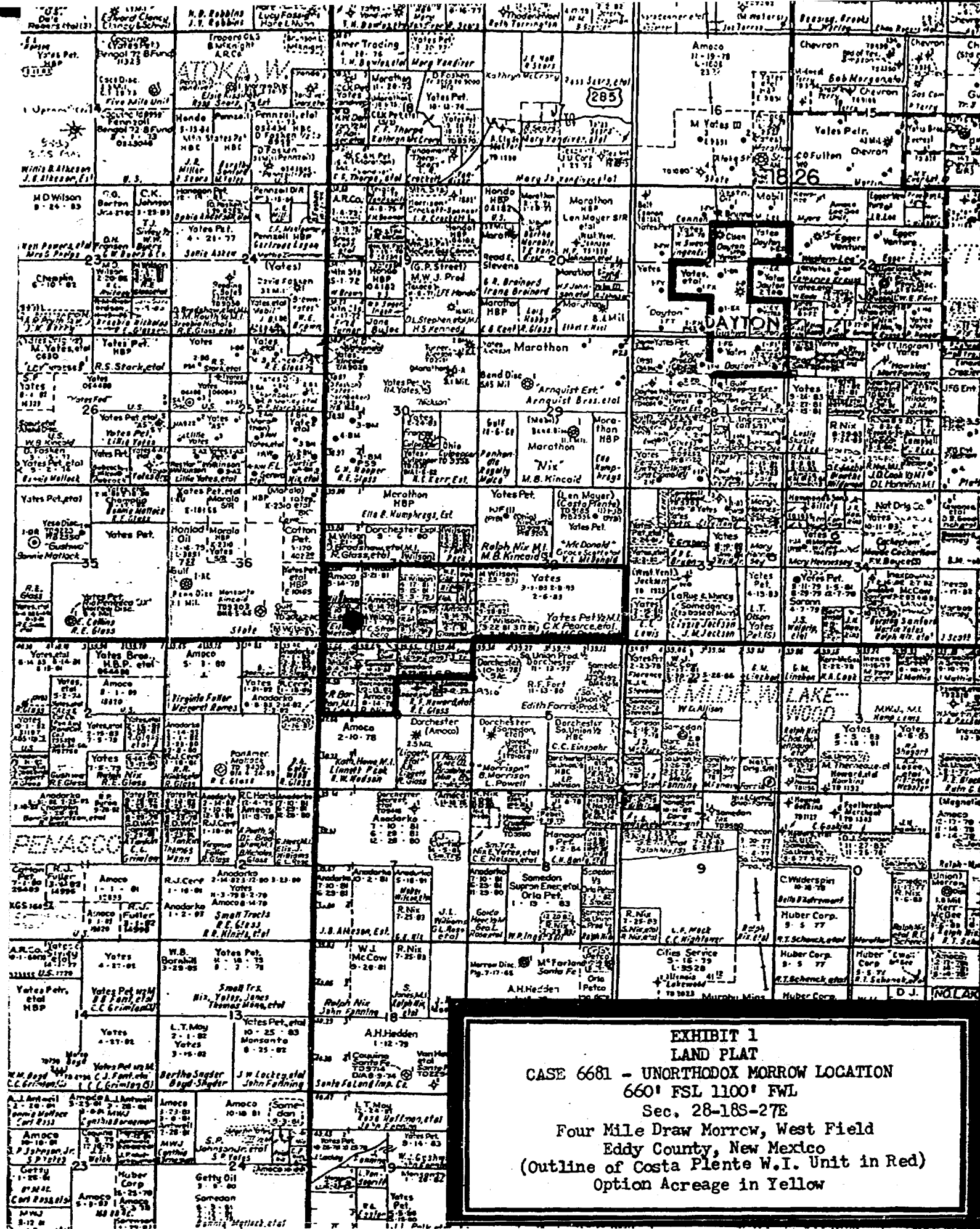


SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/



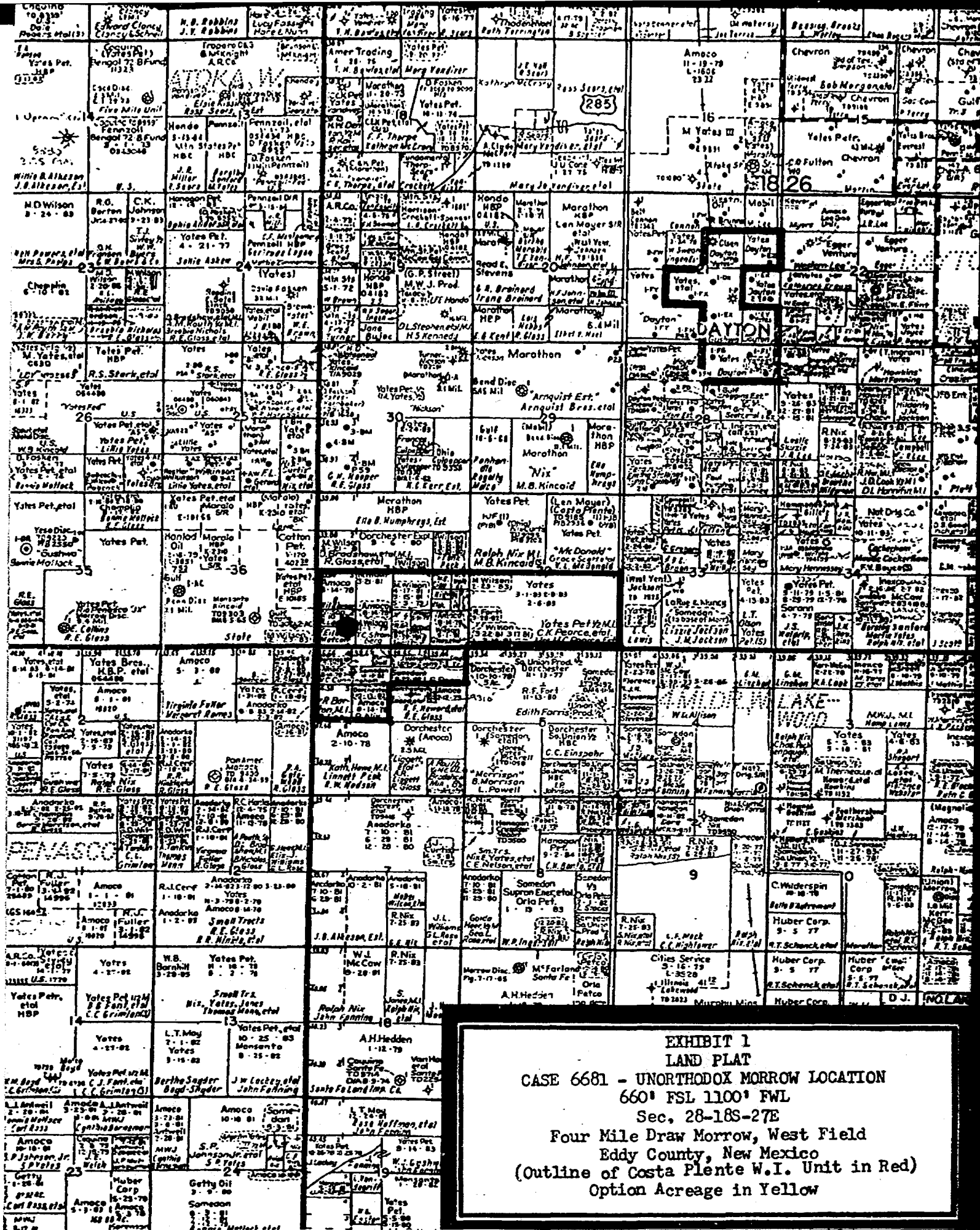
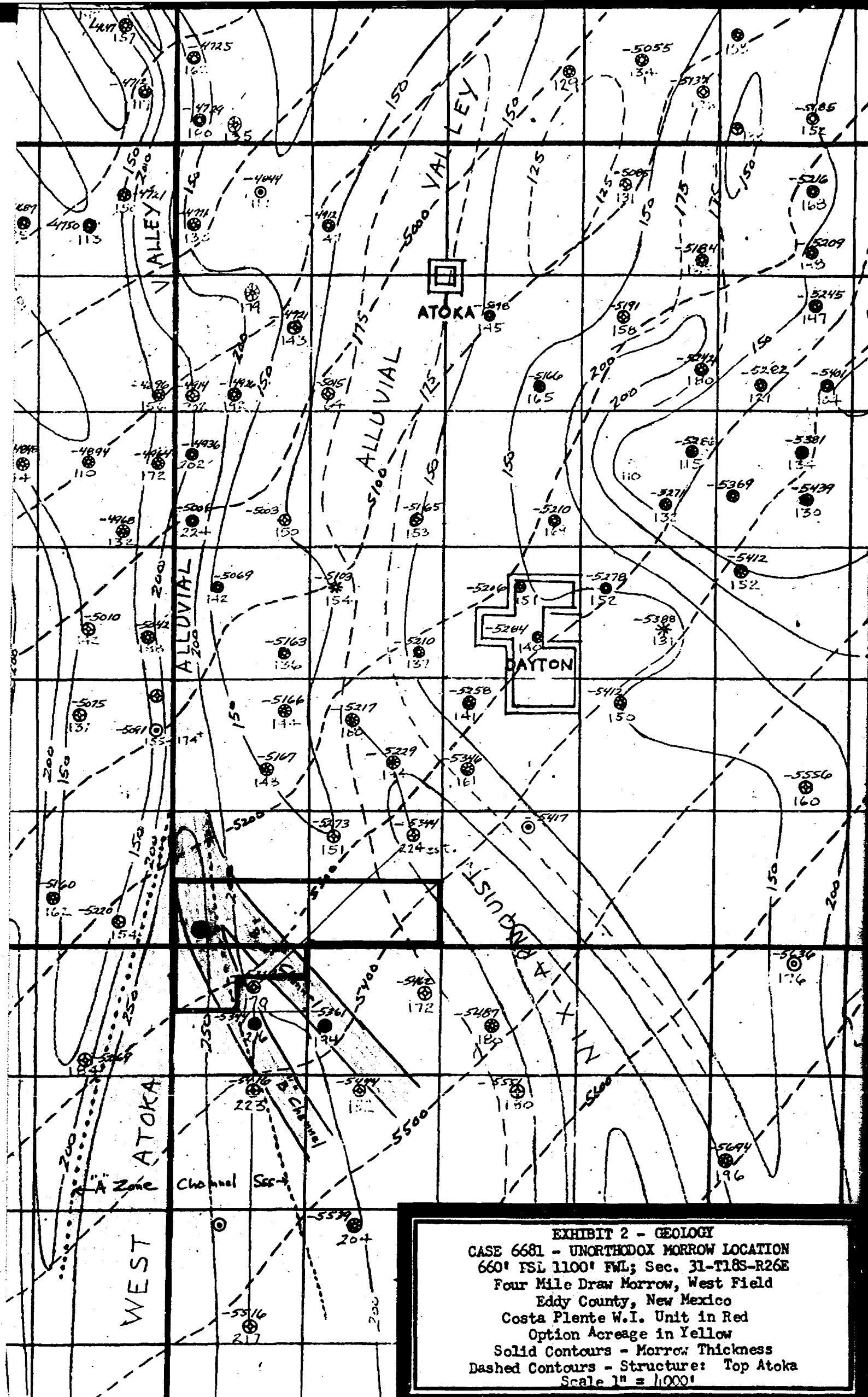


EXHIBIT 1
 LAND PLAT
 CASE 6681 - UNORTHODOX MORROW LOCATION
 660' FSL 1100' FWL
 Sec. 28-18S-27E
 Four Mile Draw Morrow, West Field
 Eddy County, New Mexico
 (Outline of Costa Plente W.I. Unit in Red)
 Option Acreage in Yellow



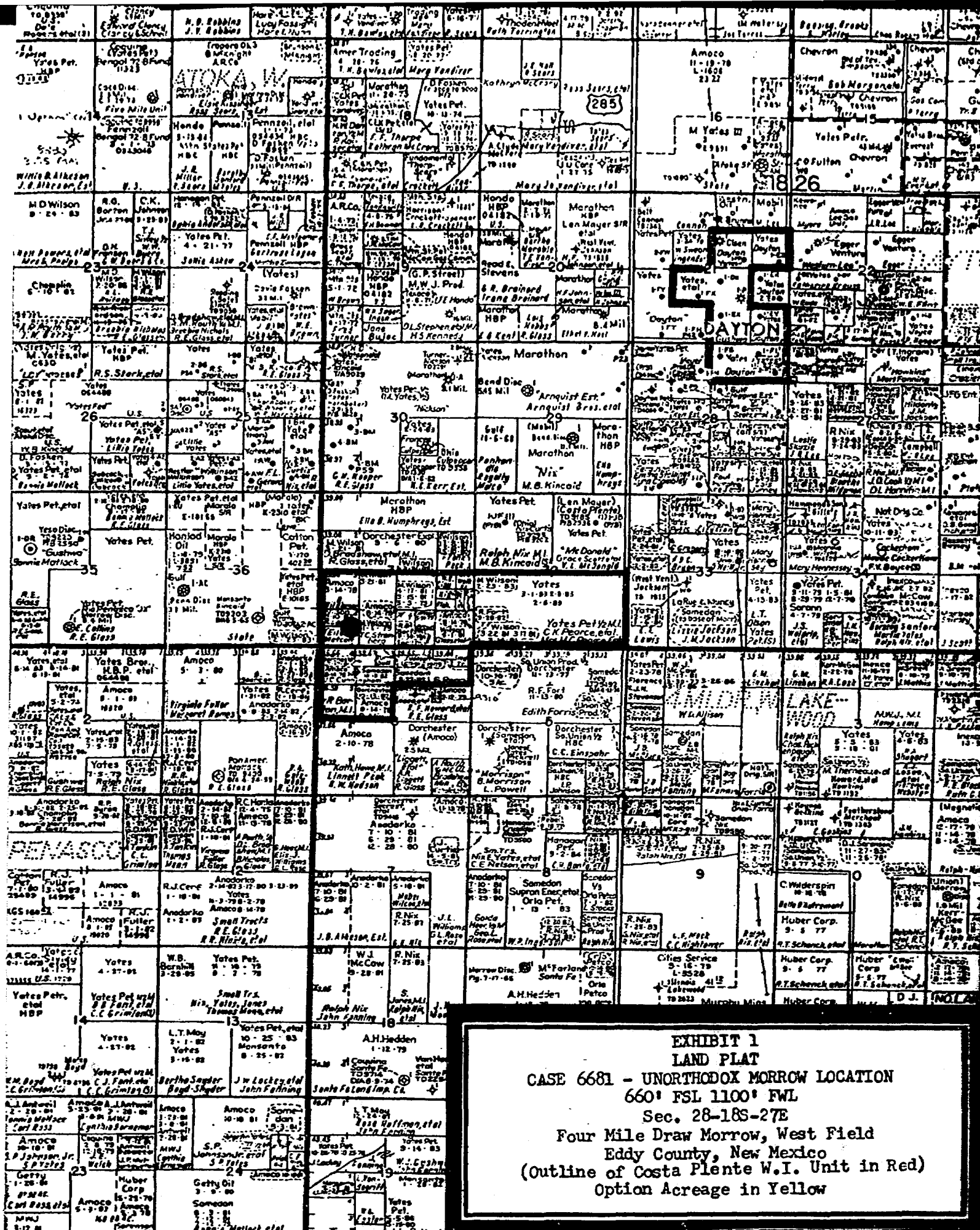
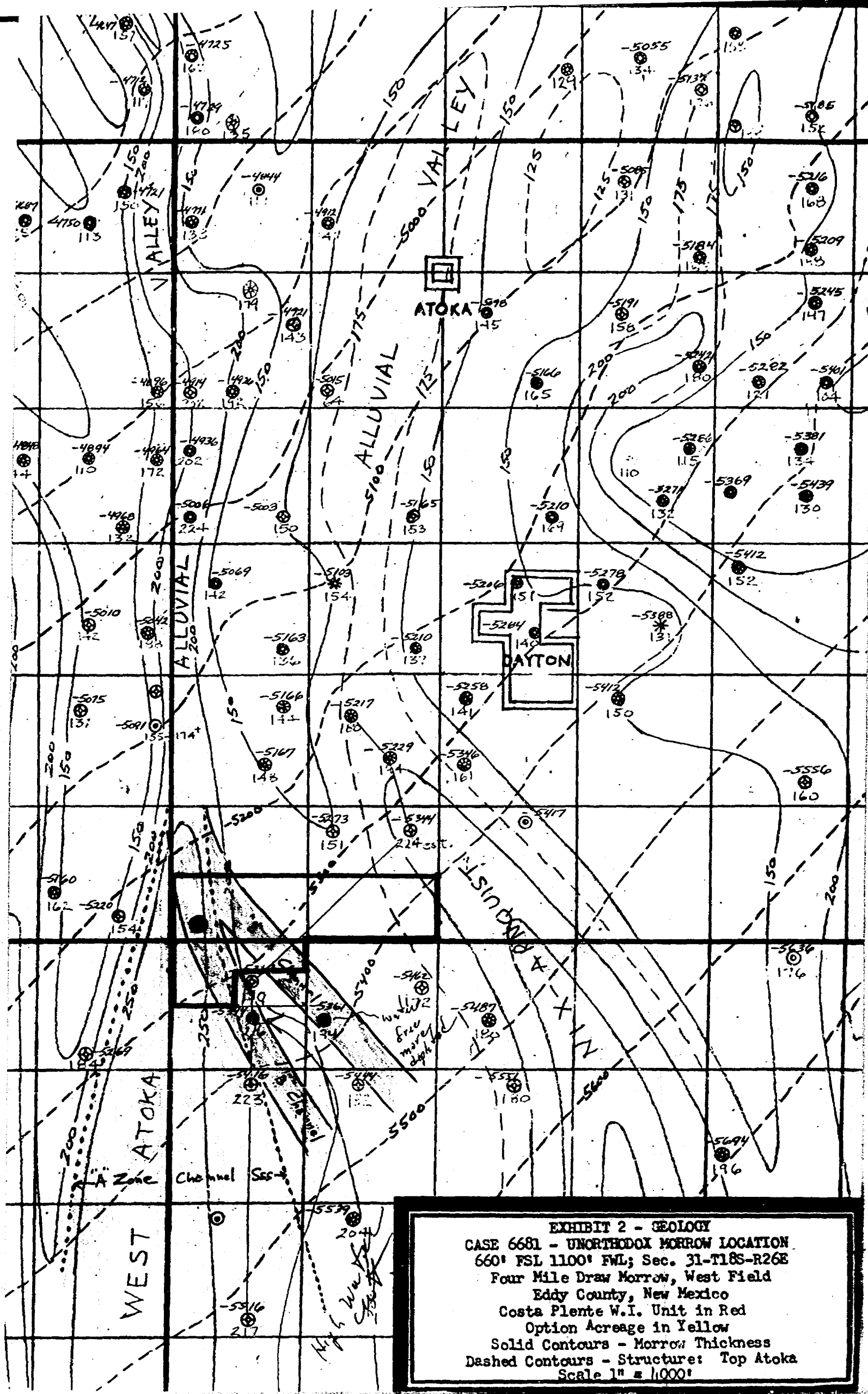


EXHIBIT 1
LAND PLAT
CASE 6681 - UNORTHODOX MORROW LOCATION
660' FSL 1100' FWL
Sec. 28-18S-27E
Four Mile Draw Morrow, West Field
Eddy County, New Mexico
(Outline of Costa Plante W.I. Unit in Red)
Option Acreage in Yellow



CASE 6644: (Continued from September 19, 1979, Examiner Hearing)

Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Pictured Cliffs production in the wellbores of its State K Com Well No. 12 located in Unit E of Section 16, Township 30 North, Range 9 West, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West.

CASE 6675: Application of Gifford, Mitchell & Wisenbaker for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pawnee Unit Area, comprising 3,840 acres, more or less, of State and federal lands in Township 26 South, Range 36 East.

CASE 6671: (Continued from September 19, 1979, Examiner Hearing)

Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.

CASE 6676: Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6677: Application of Texas Pacific Oil Company, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Arrowhead-Grayburg and Eumont production in the wellbore of its Elliott B-6 Well No. 1 located in Unit M of Section 6, Township 22 South, Range 37 East.

CASE 6678: Application of Texas Pacific Oil Company, Inc. for downhole commingling and a special casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Tubb production in the wellbore of its Eva Owens Well No. 1 located in Unit M of Section 25, Township 21 South, Range 37 East. Applicant further seeks an increase in the casinghead gas allowable for said well.

CASE 6660: (Continued from September 19, 1979, Examiner Hearing)

Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.

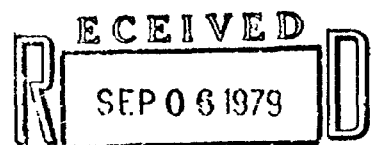
CASE 6679: Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 35, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

CASE 6630: (Continued from August 22, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and BS Mesa-Gallup production in the wellbore of its San Juan 27-4 Unit Well No. 37 located in Unit N of Section 33, Township 27 North, Range 4 West.

CASE 6680: Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6681: 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 Wolfcamp-Mississippian test well to be located 660 feet from the South line and 1100 feet from the West line of Section 31, Township 18 South, Range 26 East, the S/2 of said Section 31 to be dedicated to the well.



LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A. OIL CONSERVATION DIVISION
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER

4 September 1979

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

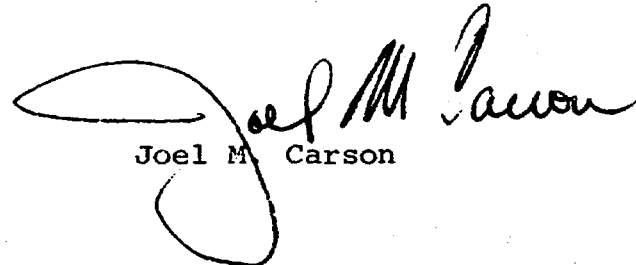
Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for an unorthodox gas well location for its Metcalf "LT" Com. No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on October 3, 1979 and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.



Joel M. Carson

JMC:bjm
Enclosures

cc w/enclosure: Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6681

APPLICATION

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

1. Applicant is the operator of the Wolfcamp through
the Mississippian formations underlying:

Township 18 South, Range 26 East, N.M.P.M.

Section 31: S/2

and proposes to drill its Metcalf "LT" Com. No. 1 Well at a point
located 1,100 feet from the West line and 660 feet from the
South line of said Section 31.

2. The applicant seeks an exception to the well loca-
tion requirements of Rule 104-C.2(a) of the Oil Conservation
Division to permit the drilling of the well at the above men-
tioned unorthodox location to a depth sufficient to adequately
test the Wolfcamp through the Mississippian formations.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 31 should be dedicated to such well or
to such lesser portion thereof as is reasonably shown to be
reasonably productive of gas.

4. 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 Division enter its order granting applicant permission to drill a well 1,100 feet from the West line and 660 feet from the South line of said Section 31 and to dedicate the S/2 of Section 31, which is reasonably presumed to be productive of gas from the Wolfcamp through the Mississippian formations.

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

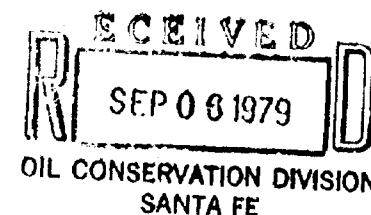
YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

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

Attorneys for Applicant



BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6681

APPLICATION

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

1. Applicant is the operator of the Wolfcamp through
the Mississippian formations underlying:

Township 18 South, Range 26 East, N.M.P.M.

Section 31: S/2

and proposes to drill its Matcalf "LT" Com. No. 1 Well at a point
located 1,100 feet from the West line and 660 feet from the
South line of said Section 31.

2. The applicant seeks an exception to the well loca-
tion requirements of Rule 104-C.2(a) of the Oil Conservation
Division to permit the drilling of the well at the above men-
tioned unorthodox location to a depth sufficient to adequately
test the Wolfcamp through the Mississippian formations.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 31 should be dedicated to such well or
to such lesser portion thereof as is reasonably shown to be
reasonably productive of gas.

4. 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 Division enter its order granting applicant permission to drill a well 1,100 feet from the West line and 660 feet from the South line of said Section 31 and to dedicate the S/2 of Section 31, which is reasonably presumed to be productive of gas from the Wolfcamp through the Mississippian formations.

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

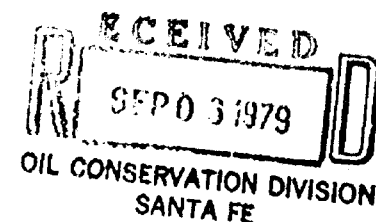
YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

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

Attorneys for Applicant



BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

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

CASE NO. 6681

APPLICATION

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

1. Applicant is the operator of the Wolfcamp through
the Mississippian formations underlying:

Township 18 South, Range 26 East, N.M.P.M.

Section 31: S/2

and proposes to drill its Metcalf "LT" Com. No. 1 Well at a point
located 1,100 feet from the West line and 660 feet from the
South line of said Section 31.

2. The applicant seeks an exception to the well loca-
tion requirements of Rule 104-C.2(a) of the Oil Conservation
Division to permit the drilling of the well at the above men-
tioned unorthodox location to a depth sufficient to adequately
test the Wolfcamp through the Mississippian formations.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 31 should be dedicated to such well or
to such lesser portion thereof as is reasonably shown to be
reasonably productive of gas.

4. 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.

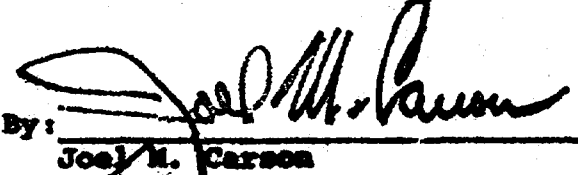
WHEREFORE, applicant prays:

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 Division enter its order granting applicant permission to drill a well 1,100 feet from the West line and 660 feet from the South line of said Section 31 and to dedicate the S/2 of Section 31, which is reasonably presumed to be productive of gas from the Wolfcamp through the Mississippian formations.

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

YATES PETROLEUM CORPORATION

By: 
Joel M. Carson

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

Attorneys for Applicant

-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 Wolfcamp ^{*through*} ~~Mississippian~~ formation, is hereby approved for a well to be located at a point 660 feet from the South line and 1100 feet from the West line of Section 31, Township 18 South, Range 26 East NMPM, Four Mile Draw Field ~~Pool~~, Eddy County, New Mexico.

(2) That the S/2 of said Section 31 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 Division may deem necessary.

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

DRAFT

dr/

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. 6681

ORDER NO. R- 6146

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2,
1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this 4 day of October, 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, Yates Petroleum Corporation,
seeks approval of an unorthodox gas well location 660
feet from the South line and 1100 feet from the
West line of Section 31, Township 18 South
Range 26 East, NMPM, to test the Wolfcamp ^{through} Mississippian
formations, Four Mile Draw Field ~~Field~~, Eddy
County, New Mexico.

(3) That the S/2 of said Section 31 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.