

YCASE 6693: YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

CASE NO.

6693

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICO

Hearing Date

OCTOBER 17, 1979Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
William F. Carr	Campbell and Black, P.A.	Santa Fe
Joel M. Carson	Loise Carson & Dickerson	Artesia
CLARENCE R. CHANDLER	RESERVE OIL, INC.	Midland
Paul G. White	Chapman & Schneider	Artesia N.M.
W. T. Kellahin	Kellahin & Kellahin	Santa Fe
Wm. P. Aycock	Doyle Hartman	Midland
R. W. SLEDGE	EL PASO NATURAL	EL PASO
John A. Disch	" "	"
L. E. LUDWICK	" " "	EL PASO
R. WOSIK	" " "	Midland
Gay L. Lee	SUPRON ENERGY CORP.	DALLAS TX
Charles J. Davis	Amble Law Firm	Midland TX
Ryan L. Stramp	ARCO OIL & GAS CO	MIDLAND, TX
HUGH CHRISTIANSON	" " " "	" "
KEN BATEMAN	White Rock Kelly & McCarty	Santa Fe, N.M.
Bob Carroll	El Paso Natural Gas Co.	El Paso, TX.
E. R. Manning	El Paso Natural Gas	El Paso, TX
A. G. Liebman	USGS	Reserve
Sue E. Umshler	USGS	Albuquerque
Amando Lopez	USGS	"
David T. Perkins	El Paso Nat. Gas Co.	El Paso, TX
George E. Young	Conoco Inc.	Hobbs, N.M.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date OCTOBER 17, 1979 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
HUGH INGRAM	CONOCO INC.	HOBBS
DANOW WEEAS	ROBERT C. ANDERSON	FARMINGTON
Ashton B. GEREN, JR.	Robert C. Anderson	FARMINGTON
O. W. Baxter	R. C. Anderson	Farmington
Wick Isaac	El Paso Natural Gas	EL PASO
Chad Dufrenoy	Yates Pet Corp	Artesia
Randy H. Patterson	Yates Petroleum	Artesia
Paul H. Davis	Texaco Inc	Midland, TX
Bob Hulen	Capital Observer	Santa Fe
John D. Erickson Jr	El Paso Natural Gas Co.	Santa Fe
Arwin Lopez	Montgomery Law Firm	Santa Fe

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

EXAMINER HEARING

IN THE MATTER OF:

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

CASE
6693

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

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

For the Oil Conservation
Division:

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

*Hearing
Registered in this
Transcript*

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

I N D E X

RAY BECK

Direct Examination by Mr. Dickerson	3
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E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Isopach	4
Applicant Exhibit Three, Cross Section	5

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MR. NUTTER: We'll call next Case 6693.

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

MR. DICKERSON: Chad Dickerson is my name, of Losee, Carson, and Dickerson, Artesia, New Mexico. I have one witness.

(Witness sworn.)

RAY BECK

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, your occupation, and by whom you are employed?

A Ray Beck, Geologist, Yates Petroleum.

Q Mr. Beck, have you previously qualified as a geologist to testify before the Commission?

A Yes, I have.

MR. DICKERSON: We tender Mr. Beck as an expert witness.

MR. NUTTER: Mr. Beck is qualified.

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3020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 Q (Mr. Dickerson continuing.) Mr. Beck, are
2 you familiar with the application of Yates Petroleum Corpor-
3 ation for an unorthodox location before the Commission today?

4 A Yes, I am.

5 Q Will you describe the purpose of this ap-
6 plication?

7 A Yes. In Case 6693 Yates Petroleum requests
8 approval of the unorthodox gas well location of its proposed
9 No. 1 Goatroper LP, to be drilled 1130 from the south line
10 and 1300 feet from the east line of Section 30, Township 17
11 South, Range 26 East; the south half of Section 30 would be
12 dedicated to the well.

13 Q Will you please refer to what is marked
14 Exhibit Number One and describe what that depicts?

15 A Exhibit Number One is a land plat showing
16 the proposed location and its relationship to the surrounding
17 acreage. Yellow denotes acreage in which Yates has an inter-
18 est.

19 Q And what does the red signify?

20 A The proration unit.

21 Q And what's the circle?

22 A That's the location of the well.

23 Q Please refer to what is marked Exhibit
24 Number Two and describe that exhibit.

25 A Exhibit Number Two is an Isopachous map

1 showing the thickness of the Morrow Clastics in the area
2 surrounding the proposed location.

3 Near the subcrop of the Morrow wells located
4 on or close to the axes of Morrow Clastics "thicks" are more
5 likely to encounter economically gas productive, linear,
6 narrow Morrow channel reservoirs.

7 Yates requests approval to drill the pro-
8 posed non-standard location where we now believe the axis
9 of a Morrow Clastics "thick" crosses the south half of
10 Section 30.

11 Q Okay, please refer to what is marked Ex-
12 hibit Number Three and describe what that reflects.

13 A Exhibit Number Three is a west to east
14 cross section going through the proposed location and
15 showing the pertinent correlation and the depth dimension
16 relative to Exhibit Two.

17 For example, the third well from the left,
18 the Yates Jackson EM, crosses a "thick" and in that there is
19 a large 60-foot thick active channel of the Morrow system,
20 which has produced about 4.7 billion cubic feet, and thereby
21 "thins" are not productive in the Morrow.

22 Q Mr. Beck, were these exhibits prepared by
23 you or under your direction?

24 A Yes, they were.

25 MR. DICKERSON: We move the admission of

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (602) 471-2462
Santa Fe, New Mexico 87501

1 Exhibits One, Two, and Three, Mr. Examiner.

2 MR. NUTTER: Exhibits One, Two, and Three
3 will be admitted in evidence.

4 Q Mr. Beck, in your opinion would the
5 granting of this application prevent waste and protect cor-
6 relative rights?

7 A Yes, I believe it would.

8 MR. DICKERSON: Mr. Examiner, that's all
9 we have, unless you have questions.

10
11 CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Beck, I presume from your Exhibit
14 Number Two that the Maddox-Martin No. 1 in Section 29, which
15 is to the right of the proposed location on the exhibit, and
16 the Yates Caskey EV to the west, are both productive from
17 the Morrow formation?

18 A No, sir, the Yates Caskey was drilled,
19 penetrated the Morrow, but it was dry in the Morrow and it
20 has been perforated up the hole in the Atoka and Strawn. It
21 is commingled now and is down to about 82 Mcf per day.

22 And the Maddox-Martin was perforated in the
23 Morrow limestone, which is above the Morrow Clastics, and
24 it got a small amount of gas and they went up and perforated
25 the Strawn. They got some more, a small amount of gas. It

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2026 Plaza Blanca (955) 471-2482
Santa Fe, New Mexico 87501

1 was shut in for a long period of time. They've just started
2 working on it here recently, trying to make another well
3 there, but as far as to up to right now, they haven't --
4 haven't even got their load water back, and stuff like that.

5 Q So this proposed location is in effect a
6 wildcat in the Morrow formation.

7 A Yes, sir.

8 Q And you see this high, or this "thick"
9 coming in from the south and are trying to get on that.

10 A Tes, sir, true.

11 MR. NUTTER: Are there any further questions
12 of the witness? He may be excused.

13 Do you have anything further?

14 MR. DICKERSON: No.

15 MR. NUTTER: Does anyone have anything
16 they wish to offer in Case Number 6693?

17 We'll take the case under advisement.

18

19 (Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of the Hearing before the Oil Conservation Division was reported by me; that 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 CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the hearing of Case No. 6693 heard by me on 10/17 1979.
[Signature] Examiner
Oil Conservation Division

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Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
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17 October, 1979

EXAMINER HEARING

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for an unorthodox gas well location, Eddy
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BEFORE: Daniel S. Nutter

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For the Applicant:	Chad Dickerson, Esq. LOSEE, CARSON, AND DICKERSON P.O. Drawer 239 Artesia, New Mexico 88210
For the Oil Conservation Division:	Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Building Santa Fe, New Mexico 87503

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3030 Plaza Blanca (S.E.) 471-2402
Santa Fe, New Mexico 87301

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

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3 leum Corporation for an unorthodox gas well location, Eddy
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25 MR. NUTTER: Mr. Beck is qualified.

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3034 Plaza Blanca (608) 471-2462
Santa Fe, New Mexico 87501

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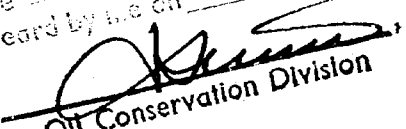
18
19 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY
that the foregoing and attached Transcript of the Hearing
before the Oil Conservation Division was reported by me;
that 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 WALTON BOYD
CERTIFIED SHORTHAND REPORTER
303 Plaza Blanca (608) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a correct and true transcript of the proceedings in
the hearing and trial of Case No. 6693
heard by me on 10/17/1929.

Oil Conservation Division, Examiner

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BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

November 6, 1979

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

Mr. Chad Dickerson
Losee, Carson & Dickerson
Attorneys at Law
P. O. Drawer 239
Artesia, New Mexico 88210

Re: CASE NO. 6693
ORDER NO. R-6166

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	

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. 6693
Order No. R-6166

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 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 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 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Eddy County, New Mexico.

(3) That the S/2 of said Section 30 is to be dedicated to the well.

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

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

-2-

Case No. 6693
Order No. R-6166

(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.

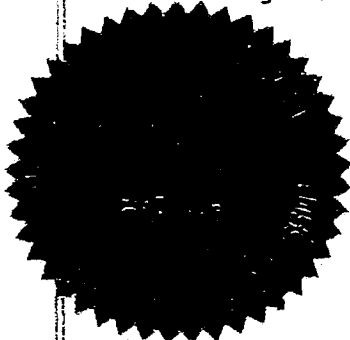
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved Yates Petroleum Corporation for a well to be drilled at a point 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 30 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.

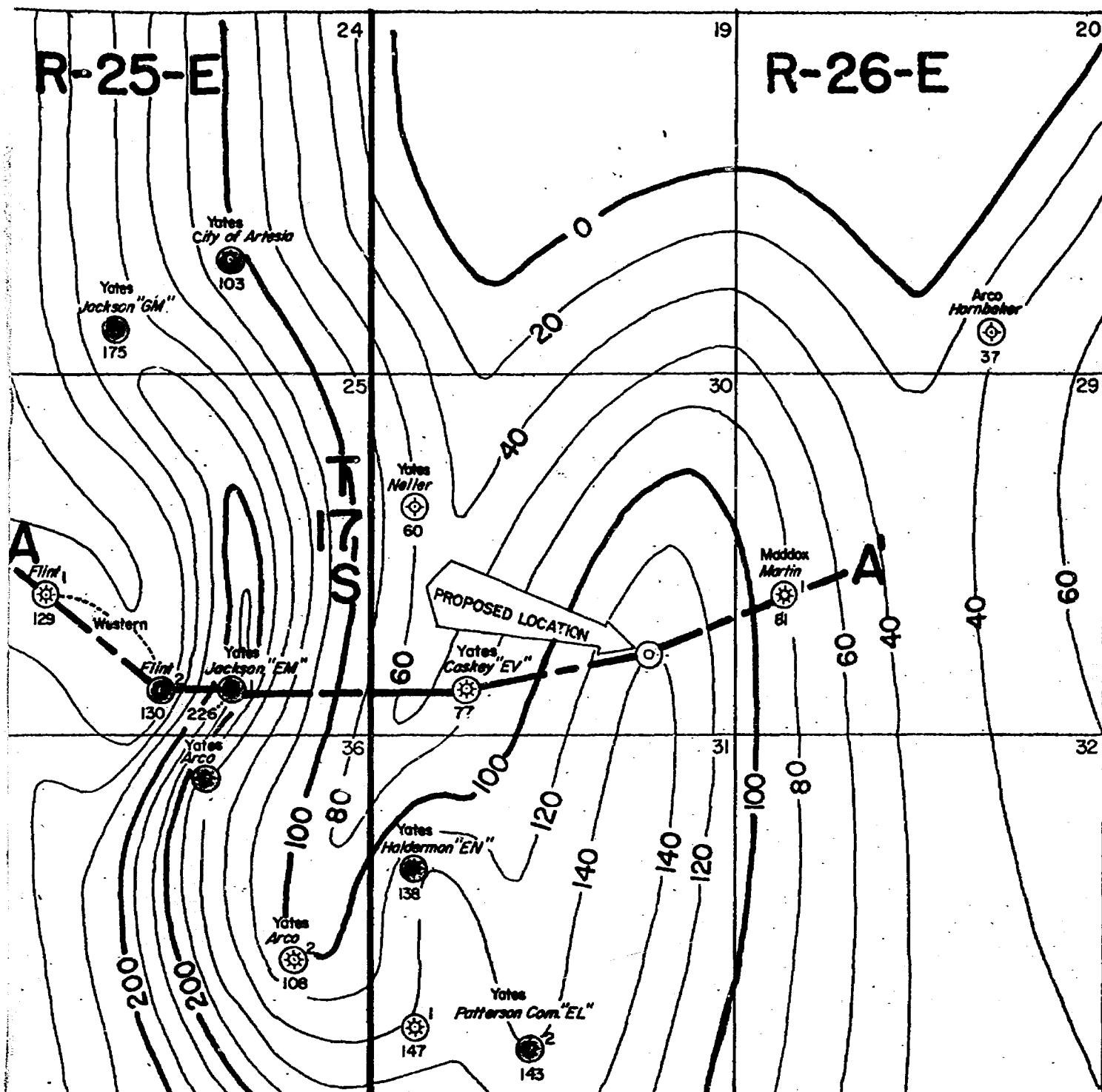





SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/



-  Dry Morrow Penetration
-  Morrow Gas Well
-  Morrow Clastics Thickness

100
Morrow Clastics Thickness Contours
C.I. = 20ft.

SCALE: 1" = 2000'

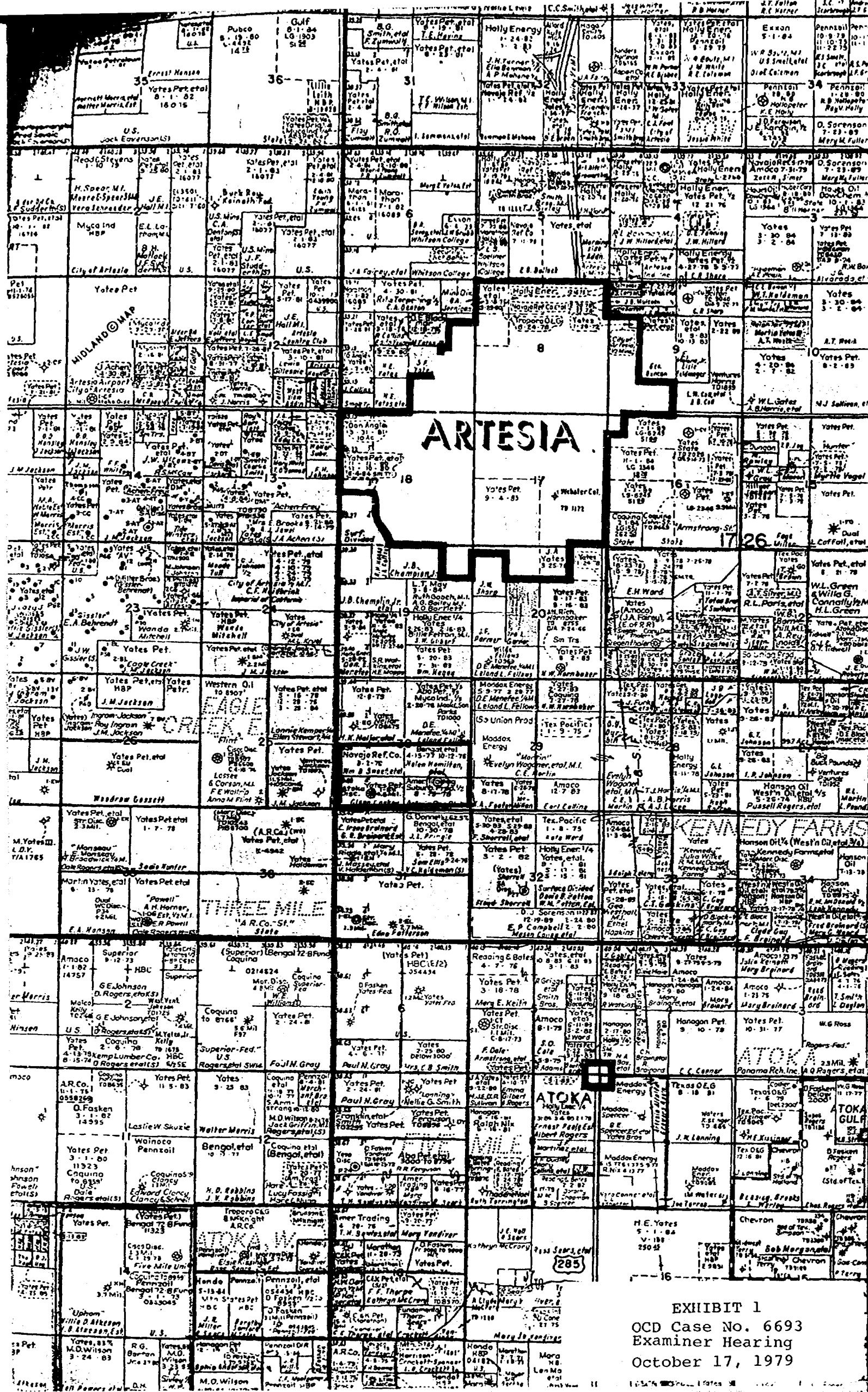
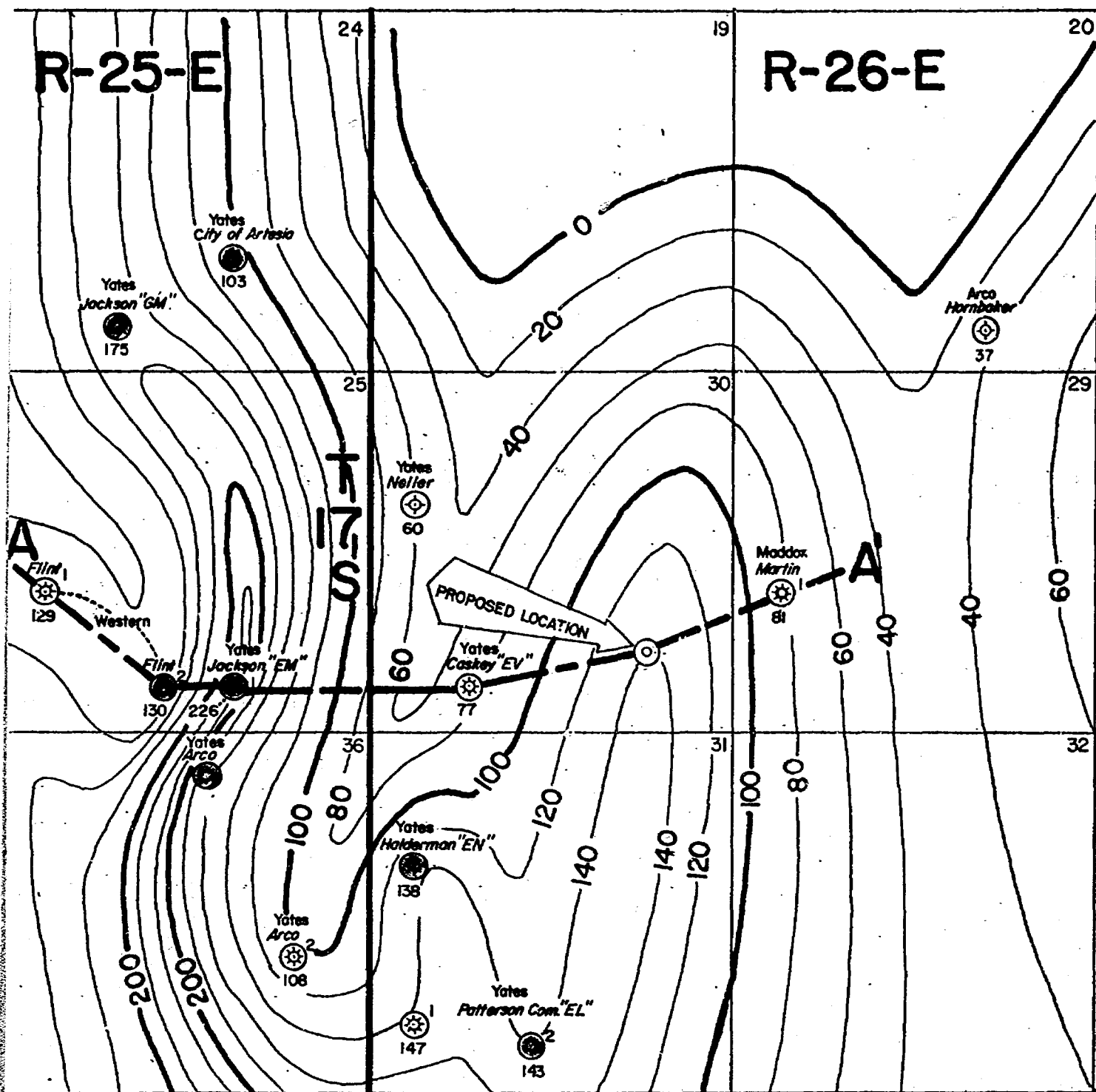


EXHIBIT 1
OCD Case No. 6693
Examiner Hearing
October 17, 1979

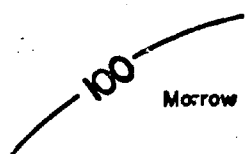


⊗ Dry Morrow Penetration

⊙ Morrow Gas Well



162 --- Morrow Clastics Thickness



Morrow Clastics Thickness Contours
C.I. = 20ft

SCALE: 1" = 2000'

Dockets Nos. 41-79 and 42-79 are tentatively set for October 31 and November 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 17, 1979

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for November, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6693: 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 Pennsylvanian test well to be located 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, the S/2 of said Section 30 to be dedicated to the well.

CASE 6694: 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 Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 35, Township 18 South, Range 25 East, 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 6695: Application of Millard Deck Oil Company for a non-standard gas 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 NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6696: Application of R. Q. Silverthorne for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Yates test well to be drilled 1310 feet from the South and West lines of Section 30, Township 18 South, Range 31 East, Shugart Pool.

CASE 6697: Application of Conoco Inc. for an unorthodox location and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, to produce gas from the Devonian and Ellenburger formations, Custer Field, thru parallel strings of tubing, the E/2 of said Section 1 to be dedicated to the well.

CASE 6671: (Continued from October 2, 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 6698: 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 NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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.

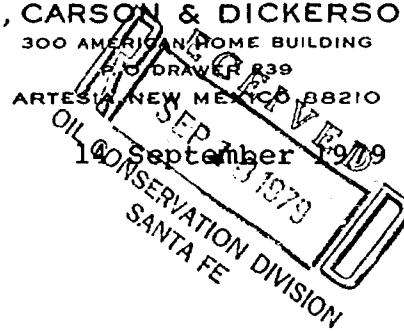
CASE 6699: Application of Robert C. Anderson for two unorthodox gas well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Ute Mountain Ute Well No. 1 located in the center of Unit L, and Well No. 3, located 2310 feet from the North and West lines, both in Section 14, Township 31 North, Range 16 West, the SW/4 of said Section 14 to be dedicated to Well No. 1 and the NW/4 to be dedicated to Well No. 3.

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

LAW OFFICES
LOSEE, CARSON & DICKERSON, P. A.

300 AMERICAN HOME BUILDING
P.O. DRAWER 839
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508



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 Goat Roper "LP" Com. No. 1 Well in Eddy County, New Mexico.

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

Very truly yours,

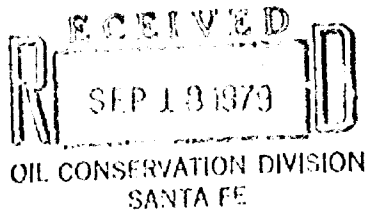
LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CDD:jcb

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. 6693

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,
and in support hereof, respectfully states:

1. Applicant is the operator of the Pennsylvanian
formation underlying:

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

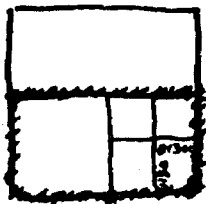
Section 30: S/2

and proposes to drill its Goat Roper "LP" Com. No. 1 Well at a
point located 1,130 feet from the South line and 1,300 feet from
the East line of said Section 30.

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 Pennsylvanian formation.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 30 should be dedicated to such well or to
such lesser portion thereof as is reasonably shown to be rea-
sonably 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 1,130 feet from the South line and 1,300 feet from the East line of said Section 30 and to dedicate the S/2 of Section 30, which is reasonably presumed to be productive of gas from the Pennsylvanian formation.

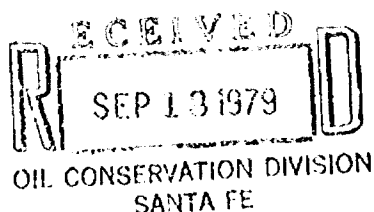
C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

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. 6693

APPLICATION

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and in support hereof, respectfully states:

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

Section 30: S/2

and proposes to drill its Goat Roper "LP" Com. No. 1 Well at a
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the East line of said Section 30.

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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 Pennsylvanian formation.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 30 should be dedicated to such well or to
such lesser portion thereof as is reasonably shown to be rea-
sonably 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 1,130 feet from the South line and 1,300 feet from the East line of said Section 30 and to dedicate the S/2 of Section 30, which is reasonably presumed to be productive of gas from the Pennsylvanian formation.

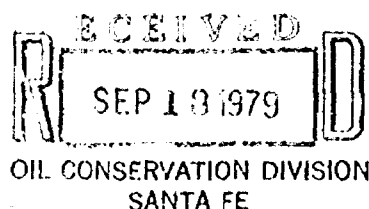
C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

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. 6693

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys,
and in support hereof, respectfully states:

1. Applicant is the operator of the Pennsylvanian
formation underlying:

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

Section 30: S/2

and proposes to drill its Goat Roper "LP" Com. No. 1 Well at a
point located 1,130 feet from the South line and 1,300 feet from
the East line of said Section 30.

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 Pennsylvanian formation.

3. A standard 320-acre gas proration unit comprising
the S/2 of said Section 30 should be dedicated to such well or to
such lesser portion thereof as is reasonably shown to be rea-
sonably 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 1,130 feet from the South line and 1,300 feet from the East line of said Section 30 and to dedicate the S/2 of Section 30, which is reasonably presumed to be productive of gas from the Pennsylvanian formation.

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

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

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

Attorneys for Applicant

DRAFT

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. 6693

ORDER NO. R- 6166

APPLICATION OF Gates 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 17,
1979, at Santa Fe, New Mexico, before Examiner BSN

NOW, on this October day of 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, Gates Petroleum Corporation,
seeks approval of an unorthodox gas well location 1130
feet from the South line and 1300 feet from the
East line of Section 30, Township 17 South
Range 26 East, NMPM, to test the Morrow
formation, Eddy County, New Mexico.

(3) That the 3/2 of said Section 30 is to be
dedicated to the well.

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

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

-2-

Case No. 6693
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 Morrow formation is hereby approved for a well to be ^{drilled} located at a point 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East NMPM, _____ ~~Pool~~, Eddy County, New Mexico.

(2) That the 2/2 of said Section 30 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.

END OF ROLL

160

ROLL NUMBER

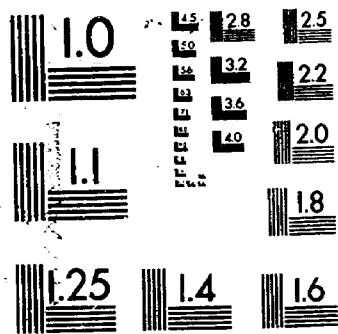
DOCUMENT TYPE N W OIL CONSERVATION DIVISION

DATE OF FILMING OCTOBER 1ST 1985

CAMERA OPERATOR PHIL A. WILDE

ENDING DOCUMENT Box 18 of 18 / CASE # 6693 - YATE'S PET. CORP. FOR AN

UNORTHODOX GAS WELL LOCATION. EDDY CO.
NEW MEXICO. (OCTOBER 1TH 1979')



MICROCOPY RESOLUTION TEST CHART
 NATIONAL BUREAU OF STANDARDS
 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

STATEMENT OF DOCUMENT CERTIFICATION

All microphotographics images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 83

Lydia Aragon
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, N.M. OIL CONSERVATION DIVISION as delivered in the regular course of business for Micro Filming.

Philip A. Wilde
CAMERA OPERATOR

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R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 93

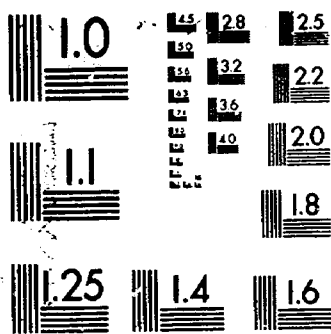
Agustin Aragon
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

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CAMERA OPERATOR



MICROCOPY RESOLUTION TEST CHART
 NATIONAL BUREAU OF STANDARDS
 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

START OF ROLL

#160B
ROLL NUMBER

DOCUMENT TYPE

NM OIL CONSERVATION DIVISION

DATE OF FILMING

OCTOBER 1ST 1985

CAMERA OPERATOR

PHIL A. WILDE

BEGINNING DOCUMENT

Box 18 of 18 / case # 6694 - Yates's Pet. Corp. for
Compulsory Pooling. Pg # 1