

CASE 7140: YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING AND AN UNORTHODOX *ation*
LOCATION, EDDY COUNTY, NEW MEXICO

cont to
2/11

CASE NO.

7140

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



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

March 10, 1981

Re: CASE NO. 7140
ORDER NO. R-6615

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

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 _____ x
Artesia OCD _____ x
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. 7140
Order No. R-6615

APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 1981, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

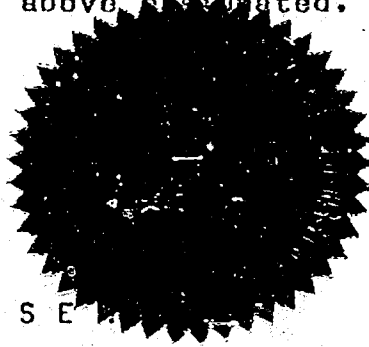
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7140 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E

dr/

FEB 19 1981

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 239
ARTESIA, NEW MEXICO 88210

OIL CONSERVATION DIVISION
SANTA FE

AREA CODE 505
746-3508

February 16, 1981

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

Re: Case Number 7140
2/25/81 Examiner Hearing

Dear Mr. Ramey:

Enclosed for filing in the above numbered case, please find an Affidavit of Mailing reflecting the mailing of a copy of the February 25, 1981 Examiner Hearing Docket to Tenneco Oil Company.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson
Chad Dickerson

CD:pvm
Enclosure

cc w/enclosure: Tenneco Oil Company

FEB 19 1981
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, EDDY COUNTY, : CASE NO. 7140
NEW MEXICO :
:

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
: SS.
COUNTY OF EDDY)

The undersigned, being first duly sworn, upon oath,
states that on the ^{17th}~~16th~~ day of February, 1981, the undersigned
did mail in the United States Post Office at Artesia, New Mexico,
a true copy of the Docket reflecting hearing on such Application
at the Oil Conservation Division in Santa Fe, New Mexico, on the
25th day of February, 1981, in a securely sealed postage prepaid
envelope addressed to Tenneco Oil Company, P. O. Box 2511,
Houston, Texas, 77001.

Patti Menefee
Patti Menefee

SUBSCRIBED AND SWORN TO before me this ^{17th}~~16th~~ day of
February, 1981.

My commission expires:
1-27-85

Jan C. Baling
Notary Public

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for compulsory pooling and
an unorthodox location, Eddy County,
New Mexico.

CASE
7140

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1
2 MR. NUTTER: We'll call next Case Number
3 7140.

4 MR. PADILLA: Application of Yates Petro-
5 leum Corporation for compulsory pooling and an unorthodox
6 location, Eddy County, New Mexico.

7 MR. NUTTER: Applicant in this case has
8 requested dismissal, so Case Number 7140 will be dismissed.

9
10 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7492

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7140
heard by me on 1/25 1981.
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for compulsory pooling and
an unorthodox location, Eddy County,
New Mexico.

CASE
7140

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1
2 MR. NUTTER: We'll call next Case Number
3 7140.

4 MR. PADILLA: Application of Yates Petro-
5 leum Corporation for compulsory pooling and an unorthodox
6 location, Eddy County, New Mexico.

7 MR. NUTTER: Applicant in this case has
8 requested dismissal, so Case Number 7140 will be dismissed.

9
10 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7140, heard by me on 2/25, 1981.

 Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
11 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for compulsory pooling,
and an unorthodox location, Eddy
County, New Mexico.

CASE
7140

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1 MP. STAMETS: The hearing will please
2 come to order.

3 Mr. Padilla is at a meeting this morning
4 and so we're going to skip over the two allowable cases at
5 this time. We will come back and pick those up when he's
6 available.
7

8 We'll call first Case 7140, being the
9 application of Yates Petroleum Corporation for compulsory
10 pooling and an unorthodox location, Eddy County, New Mexico.

11 At the request of the applicant this
12 case will be continued to the February 25th Examiner Hearing.
13

14 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a correct and true transcript of the proceedings in the Examiner's hearing of Case No. 7140, heard by me on 2-11-81.

Richard L. Hunt, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
11 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for compulsory pooling,
and an unorthodox location, Eddy
County, New Mexico.

CASE
7140

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1 MR. STAMETS: The hearing will please
2 come to order.

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4 and so we're going to skip over the two allowable cases at
5 this time. We will come back and pick those up when he's
6 available.
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8 We'll call first Case 7140, being the
9 application of Yates Petroleum Corporation for compulsory
10 pooling and an unorthodox location, Eddy County, New Mexico.

11 At the request of the applicant this
12 case will be continued to the February 25th Examiner Hearing.
13

14 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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

_____, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-
ation for compulsory pooling and an
unorthodox location, Eddy County,
New Mexico.

CASE
7140

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1 MR. NUTTER: Call Case Number 7140.

2
3 MR. PADILLA: Application of Yates Petro-
4 leum Corporation for compulsory pooling and an unorthodox
5 location, Eddy County, New Mexico.

6 MR. NUTTER: We've requested continuance
7 of this case, or did you want to say something?

8 MR. DICKERSON: No, sir, that's correct.

9 MR. NUTTER: We've requested continuance
10 of this case.

11 Case Number 7140 will be continued to
12 the Examiner Hearing scheduled to be held at this same place
13 at 9:00 o'clock a.m. February 11th, 1981.

14
15 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7142 heard by me on 1/28 1981.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.F.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-
ation for compulsory pooling and an
unorthodox location, Eddy County,
New Mexico.

CASE
7140

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. NUTTER: Call Case Number 7140.

MR. PADILLA: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico.

MR. NUTTER: We've requested continuance of this case, or did you want to say something?

MR. DICKERSON: No, sir, that's correct.

MR. NUTTER: We've requested continuance of this case.

Case Number 7140 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a.m. February 11th, 1981.

(Hearing concluded.)


C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7140, heard by me on 1/28 1981.

 Examiner
Oil Conservation Division

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

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:

CASE 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.

CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Silvan Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.

CASE 7159: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.

CASE 7160: Application of Harlan Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.

CASE 7148: (Continued from February 11, 1981, Examiner Hearing)

Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit C of said Section 3.

CASE 7051: (Continued from January 28, 1981, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit C of Section 19, Township 21 South, Range 37 East.

CASE 7140: (Continued from February 11, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7149: (Continued from February 11, 1981, Examiner Hearing)

Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit C of Section 19, Township 23 South, Range 37 East.

CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

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 239
ARTESIA, NEW MEXICO 88210

FEB 05 1981
OIL CONSERVATION DIVISION
SANTA FE AREA CODE 505
746-3508

February 2, 1981

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

Re: Case No. 7140
2/11/81 Examiner Hearing

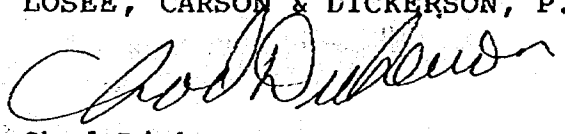
Dear Mr. Ramey:

Please continue the captioned case, entitled "In the Matter of the Application of Yates Petroleum Corporation for Compulsory Pooling and Unorthodox Location, Eddy County, New Mexico," until the February 25, 1981 Examiner Hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:pvm

cc: Mr. Ray Beck
Mr. Randy Patterson
Mr. Scott E. Wilson
Mr. Steve King

Dockets Nos. 7-81 and 8-81 are tentatively set for February 25 and March 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 1981

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1981, for both of the above areas.

CASE 7146: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Perro Grande Unit Area, comprising 3524 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 35 East.

CASE 7135: (Continued and Readvertised)

Application of Celeste C. Grynberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Cottonwood Draw Unit Area, comprising 3,195 acres, more or less, of State lands in Township 16 South, Range 24 East.

CASE 7147: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7140: (Continued from January 28, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 4063: (Reopened and Readvertised)

In the matter of Case No. 4063 being reopened on the motion of the Oil Conservation Division to consider the abolishment of the special rules and regulations for the Four Mile Draw-Morrow Gas Pool, Eddy County, New Mexico, as promulgated by Order No. R-3698. In the absence of objection said rules will be rescinded.

CASE 7148: Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit C of said Section 3.

CASE 7149: Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7150: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.

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 239
ARTESIA, NEW MEXICO 88210

RECEIVED
JAN 23 1981
OIL CONSERVATION DIVISION
AREA CODE 505
348-3508
SANTA FE

January 21, 1981

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

Re: Case No. 7140, Examiner Hearing of 1/28/81
Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, N.M.
N/2 Sec. 26, T-21-S, R-26-E, N.M.P.M.

Dear Mr. Ramey:

Please continue the captioned case until the Examiner Hearing of
February 11, 1981.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:pvm
Enclosure

cc: Yates Petroleum Corporation
Mr. Scott E. Wilson
Tenneco Oil Company

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 239
ARTESIA, NEW MEXICO 88210

JAN 23 1981
OIL CC
AREA CODE 505
746-3508
DIVISION
SANTA FE

January 20, 1981

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

Re: Case No. 7140, Examiner Hearing of 1/28/81
Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, N.M.
N/2 Sec. 26, T-21-S, R-26-E, N.M.P.M.

Dear Mr. Ramey:

Enclosed for filing in connection with the captioned matter,
please find an Affidavit of Mailing, reflecting that a true copy
of the application, together with a copy of the docket reflecting
the hearing on such application were sent to Tenneco Oil Company
on January 20, 1981.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:pvm
Enclosure

cc: Yates Petroleum Corporation
cc w/enclosures: Tenneco Oil Company

RECEIVED
JAN 23 1981
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :

CASE NO. 7140

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
: SS.
COUNTY OF EDDY)

The undersigned, being first duly sworn, upon oath,
states that on the 20th day of January, 1981, the undersigned
did mail in the United States Post Office at Artesia, New Mexico,
true copies of the following instruments:

1. Application for Compulsory Pooling of mineral in-
terests in the N/2 Section 26, Township 21 South,
Range 26 East, N.M.P.M., located 1,650 feet from
the east line and 660 feet from the north line of
said Section 26;
2. Docket reflecting hearing on such Application at
the Oil Conservation Division in Santa Fe, New
Mexico, on the 28th day of January, 1981;

in securely sealed postage prepaid envelopes addressed to Tenneco
Oil Company, P. O. Box 2511, Houston, Texas, 77001.

Patti Menefee
Patti Menefee

SUBSCRIBED AND SWORN TO before me this 20th day of
January, 1981.

My commission expires:
1-27-85

Don C. Baling
Notary Public

(seal)

Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

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:

- CASE 7135: Application of Celeste C. Gryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)
- Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)
- Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7100: (Continued from January 14, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company 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 Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 16 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service for an oil treating plant permit, Lea 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 SW/4 NW/4 of Section 25, Township 25 South, Range 36 East.

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

300 AMERICAN HOME BUILDING

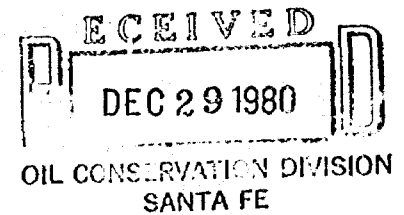
P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

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

AREA CODE 505
746-3508

December 22, 1980



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

Case 7140

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling in Eddy County, New Mexico.

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

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson
Chad Dickerson

CD:pvm
Enclosures

cc: 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 :
COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :

CASE NO. 7140

APPLICATION

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

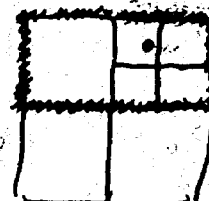
1. Applicant has the right to drill a gas well, to a depth sufficient to test the Morrow formation, which is to be located at a point 1,650 feet from the east line and 660 feet from the north line of Section 26, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Minor Holiday
2. The applicant will dedicate the N/2 of said section to this well, and Tenneco Oil Company, P. O. Box 2511, Houston, Texas, 77001, is an interest owner in the proration unit and has not agreed to pool its interest.

3. Applicant should be designated the operator of the well and the proration unit.

4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense, his just and fair share of the gas in said unit, all mineral interests, whatever they may be, from the Wolfcamp through the Pennsylvanian formations underlying the N/2 of said Section 26, should be pooled.

5. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.



6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

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 pooling all mineral interests, whatever they may be, from the Wolfcamp through the Pennsylvanian formations underlying the N/2 of said Section 26, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

C. And for such other and further 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

REPORT THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, EDDY COUNTY, : CASE NO. 7140
NEW MEXICO :
:

APPLICATION

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2. The applicant will dedicate the N/2 of said section to this well, and Tenneco Oil Company, P. O. Box 2511, Houston, Texas, 77001, is an interest owner in the proration unit and has not agreed to pool its interest.
3. Applicant should be designated the operator of the well and the proration unit.
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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 :
COMPULSORY POOLING, EDDY COUNTY, : CASE NO. _____
NEW MEXICO :
_____ :

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C. And for such other and further 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

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 7140

Order No. R- 6615

APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY
POOLING AND AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25,
19 81, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of February, 19 81, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7140 is hereby dismissed.

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