

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF HARVEY E. YATES COMPANY)
FOR ADMINISTRATIVE APPROVAL)
OF AN UNORTHODOX LOCATION)
LEA COUNTY, NEW MEXICO)

NSL 1731
Rule 104 F
Mississippian Gas
#83

AMENDED

APPLICATION FOR ADMINISTRATIVE APPROVAL

COMES NOW HARVEY E. YATES COMPANY which respectfully states:

1. Applicant proposes to reenter and deepen a well 660' FSL and 660' FWL of Section 26, Township 13 South, Range 36 East, N.M.P.M., Lea County, New Mexico, to the Mississippian-Chester formation or 13,400'.

2. If successful, Applicant would expect the well to produce gas.

3. Under New Mexico Oil Conservation Division Rule 104(B), the above stated location is unorthodox for a gas well.

4. The original well, the Cayman-McClish, was drilled to 11,800 as a Strawn test but was abandoned as a dry hole.

5. The Strawn formation in this part of Lea County is typically an oil bearing rather than a gas bearing formation; therefore, the location 660' FSL and 660' FWL would have been an orthodox location for the original well.

6. Applicant is currently circulating a unit agreement and a unit operating agreement for the McClish Unit covering:

Township 13 South, Range 36 East, N.M.P.M.
Sections 22 & 23: S/2
Sections 26 & 27: A11
Sections 34 & 35: N/2

7. Under the operating agreement described in 4. above, Applicant is the operator of each proration or spacing unit offsetting the unit for which the unorthodox location is sought.

8. That Applicant has included with this application a plat showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought. Applicant finds no record of any other wells completed on said leases.

9. To the best of Applicant's knowledge and belief there are no other operating agreements covering any of the proration or spacing units offsetting the unit for which the unorthodox location is sought.

10. Applicant does not object to the unorthodox location.

11. Attached to and made a part of this Amended Application are:

- a. Structure Map
- b. Cross Section
- c. Geological Discussion

12. Based upon the reasons and information set forth in the attached geological information the unorthodox location should be granted based upon geological conditions.

WHEREFORE, Applicant requests:

A. That pursuant to New Mexico Oil Conservation Division Rule 104(F), the Division issue an administrative approval based upon geological conditions of Applicant's reentry and deepening of a well at an unorthodox location 660' FSL and 660' FWL of Section 26, Township 13 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

B. For such further relief as the Division deems just and proper.

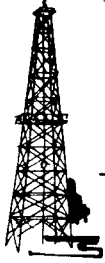
Dated this 18th day of August, 1983

HARVEY E. YATES COMPANY

BY: Thomas J. Hall
Thomas J. Hall, III
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

August 19, 1983

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

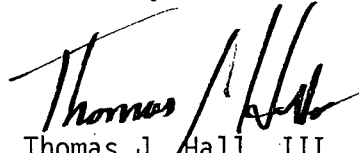
ATTN: Mr. Richard L. Stamets

Re: Amended Application for
Administrative Approval
Unorthodox Location
Lea County, New Mexico

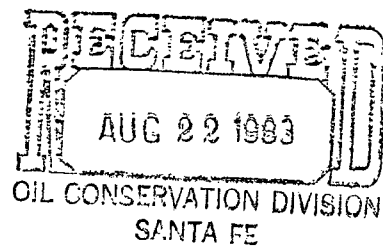
Gentlemen:

Enclosed please find in triplicate pursuant to Rule 104(F), our application requesting administrative approval for the reentry of a well in Section 26, of T-13S, R-36E, N.M.P.M., Lea County, New Mexico.

Sincerely,


Thomas J. Hall, III
Attorney

TJH/dlj
Enclosure



GEOLOGICAL DISCUSSION

Recent drilling to develop gas production from the Mississippian Chester (Austin) in the Tatum Basin have been more successful in a structurally flank position. Wells drilled in the Richardson Unit (#1 Richardson Unit, SW/4 SW/4 Section 32, T-13S, R-36E and #1 Richardson Fee, NE/4 NW/4 Section 5, T-14S, R-36E, Lea County, New Mexico) have better porosity development than wells drilled on a pronounced structure nearby in the McDonald Unit (Section 33 and 34, T-13S, R-36E, Sec. 3, T-14S, R-36E, Lea County, New Mexico). We propose to reenter and drill deeper to a depth of 13,400' in the Cayman #1 McClish in the SW/4 SW/4 Section 26, T-13S, R-36E of Lea County, New Mexico. Attached is a subsurface structural map on top of the Mississippian Chester which honors our seismic control in the area and shows the analogous structural position to the Richardson Unit wells. A SW-NW Cross-Section shows the relative structural position of the Pennsylvanian and upper Mississippian formations in the proposed test to nearby wells.

BY: O/S O. E. Groves

O. E. Groves
Chief Geologist

This testified to in
person by Groves
in case 7932
RLH