

DATE IN <u>3/27/98</u>	SUSPENSE <u>4/16/98</u>	ENGINEER <u>MS</u>	LOGGED BY <u>MW</u>	TYPE <u>NSL</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVER SHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

**[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]**  
**[DD-Directional Drilling] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

**[A] Location - Spacing Unit - Directional Drilling**  
☒ NSL    ☐ NSP    ☐ DD    ☐ SD

Check One Only for [B] and [C]

**[B] Commingling - Storage - Measurement**  
☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply**

**[A] ☐ Working, Royalty or Overriding Royalty Interest Owners**

**[B] ☐ Offset Operators, Leaseholders or Surface Owner**

**[C] ☐ Application is One Which Requires Published Legal Notice**

**[D] ☐ Notification and/or Concurrent Approval by BLM or SLO**  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

**[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**

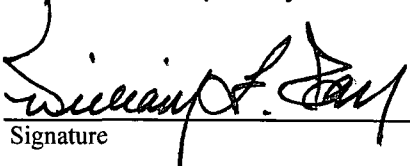
**[F] ☐ Waivers are Attached**

**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

**Note: Statement must be completed by an individual with supervisory capacity.**

William F. Carr  
 Print or Type Name

  
 Signature

Attorney  
 Title

3/27/98  
 Date

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN

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OF COUNSEL

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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

March 27, 1998

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RECEIVED

MAR 27 1998

Oil Conservation Division

NSL-YATE.4

Re: *Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Well Location for its Parish IV Com Well No. 6 to be located 1880 feet from the North line and 800 feet from the East Line of Section 26, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico*

Dear Ms. Wrotenbery:

Yates Petroleum Corporation hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox well location for all formations developed on 320-acre spacing or proration units for its Parish IV Com Well No. 6 to be located 1880 feet from the North line and 800 feet from the East line of Section 26, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico. The N/2 of Section 26 will be dedicated to the well. See the copy of Oil Conservation Division Form C-102 attached hereto as Exhibit A. There will be only one producing well in any 320-acre spaced gas zone on this spacing unit since The proposed Parish IV Com Well No. 6 will be completed in the Morrow formation and the Parish IV Com Well No. 2, which previously produced from the Morrow formation on this spacing unit, has been recompleted in the Strawn and Atoka formations.

This location is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located no closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1650 feet to the nearest end boundary.

Met w/ Carr  
4-9-98

- Wlf pool rules vary in area.

- N/2 Strawn / Atoka  
left w/ #2 in "F"  
see 104. B

Conflicting  
Statement  
will  
confine  
approval  
to  
Morrow  
only.

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 27, 1998  
Page 2

This unorthodox location is required by geological conditions in the Morrow formation. Attached hereto as Exhibit B is a Structure Map on the Top of the Morrow formation which shows the reservoir dip to the southeast. The well locations with data are Morrow penetrations and well locations without data are generally Upper Penn penetrations. The proposed locations are downdip of past Morrow production, but updip of other Morrow penetrations that were of poor reservoir quality. The problem in this localized area has been the lack of reservoir quality, not structure.

Exhibit C is a Sand Isolith Map which represents sands of the Morrow formation and shows the limits of sand deposition. The isolith map is a "clean sand" map with gamma ray cutoff of 50 API units or less. This map shows two sand channels trending north-south. The sand thick on the east side of the map is the target for the proposed locations. The sand thicks should allow for better porosity and permeability, since the represents the area of highest energy within channel systems.

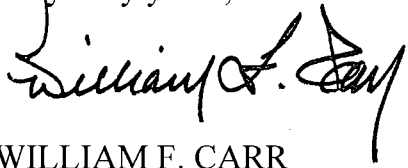
The proposed location is unorthodox to optimize sand thickness and increase the possibilities of encountering commercial quantities of hydrocarbons. Exhibit D is a geological explanation which demonstrates that the proposed location is the optimum location for a Morrow well in this spacing unit.

Attached hereto as Exhibit E is a plat as required by Rule 104.F (3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units. Yates Petroleum Corporation is the designated operator of all the immediately adjoining and diagonal spacing units in all 320-acre spaced gas formations offsetting the proposed unorthodox well location. These units are shaded in yellow on this plat. Accordingly, there are no affected parties to whom notification of the application should be provided.

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 27, 1998  
Page 3

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR  
Attorney for Yates Petroleum Corporation

Enclosures

cc: Ms. Kathy H. Porter  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88201



District I  
PO Box 1998, Hobbs, NM 88241-1998  
District II  
PO Drawer DD, Artesia, NM 88211-9719  
District III  
1000 Rio Grande Rd., Artesia, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number		Pool Code	Pool Name Morrow
Property Code	Property Name PARISH IV COM		Well Number 6
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3624.

**10 Surface Location**

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	26	19-S	24-E		1880	NORTH	800	EAST	EDDY

**11 Bottom Hole Location If Different From Surface**

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County

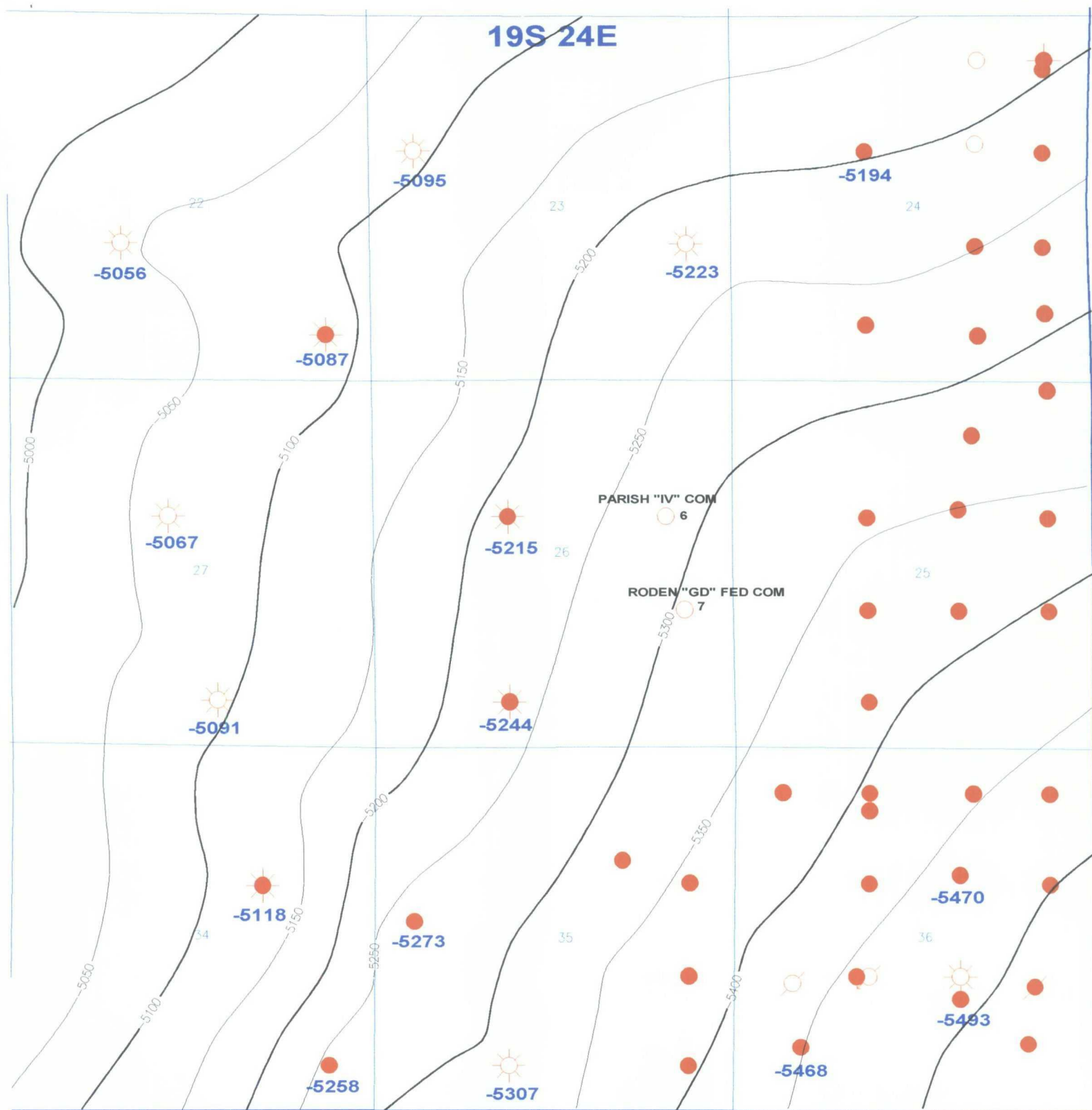
12 Dedicated Acres 320	13 Joint or In/In	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

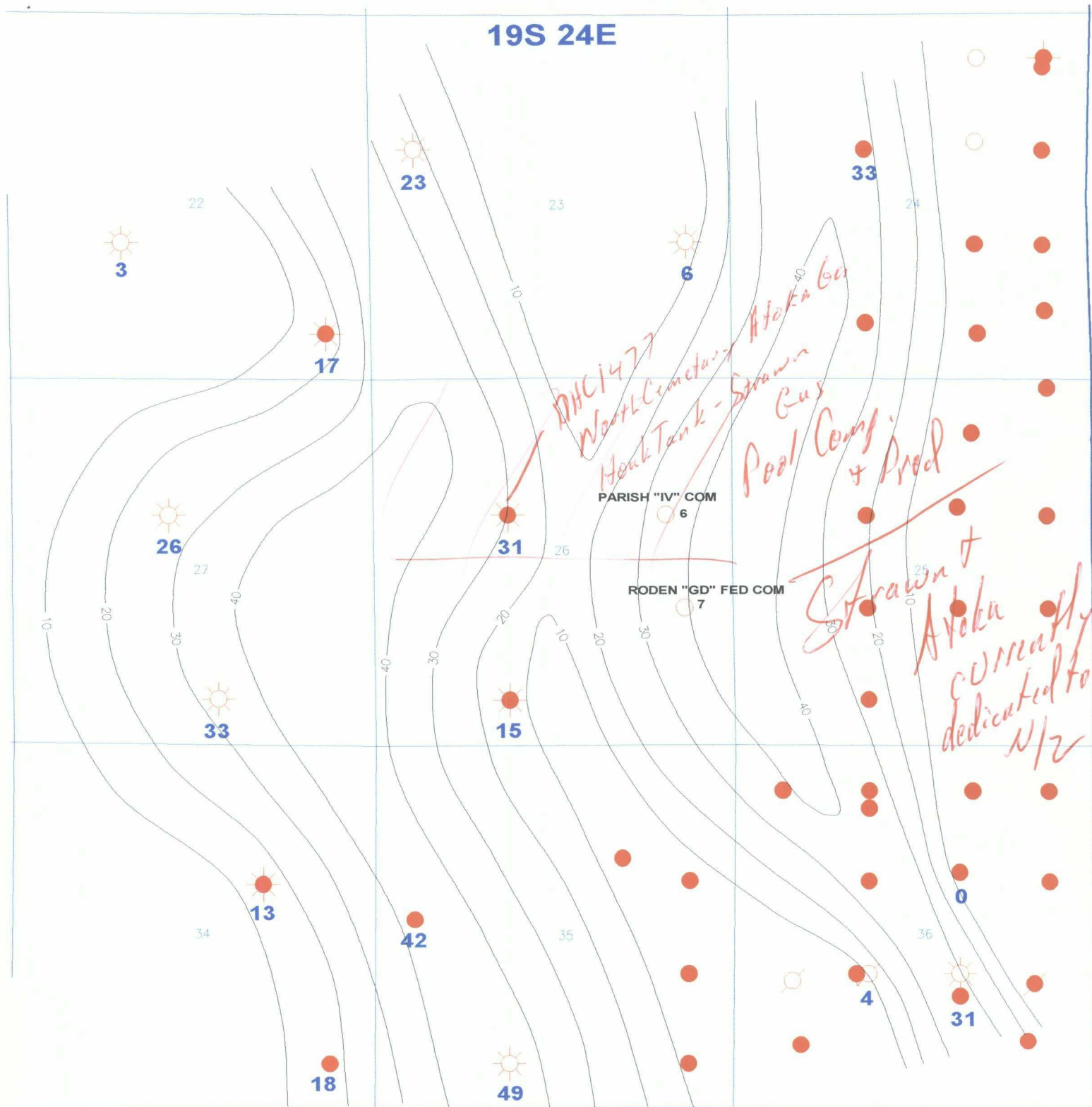
	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <i>Ken Beardemphl</i> Printed Name: Ken Beardemphl Title: Landman Date: January 19, 1998
	<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey: JANUARY 18, 1997 Signature and Seal of Professional Surveyor: <i>[Signature]</i> 

Yates Petroleum Corp.  
Parish IV Com Well No. 2  
1980 1/2 NEW L. Unit #1  
1/2 Dedication  
Und. North Cemetery Aboka-bas  
1600's Tank-Drawn completions

EXHIBIT A



Yates Petroleum Corporation		
Parish - Roden Area Structure Map Top of Morrow		
Geol: B. May	C.I. = 50'	3/2/98
1924STR.gpf	Scale 1:24000.	T. Fuentes



Yates Petroleum Corporation		
Parish - Roden Area Sand Isoloth Morrow Formation		
Geol: B. May	<b>GR ≤ 50 API</b>	3/2/98
1924ISO.gpf	Scale 1:24000.	T. Fuentes

*Will limit appraisal  
to Morrow only.*

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

## GEOLOGICAL EXPLANATION OF THE PARISH "IV" COM #6 AND THE RODEN "GD" FEDERAL COM #7

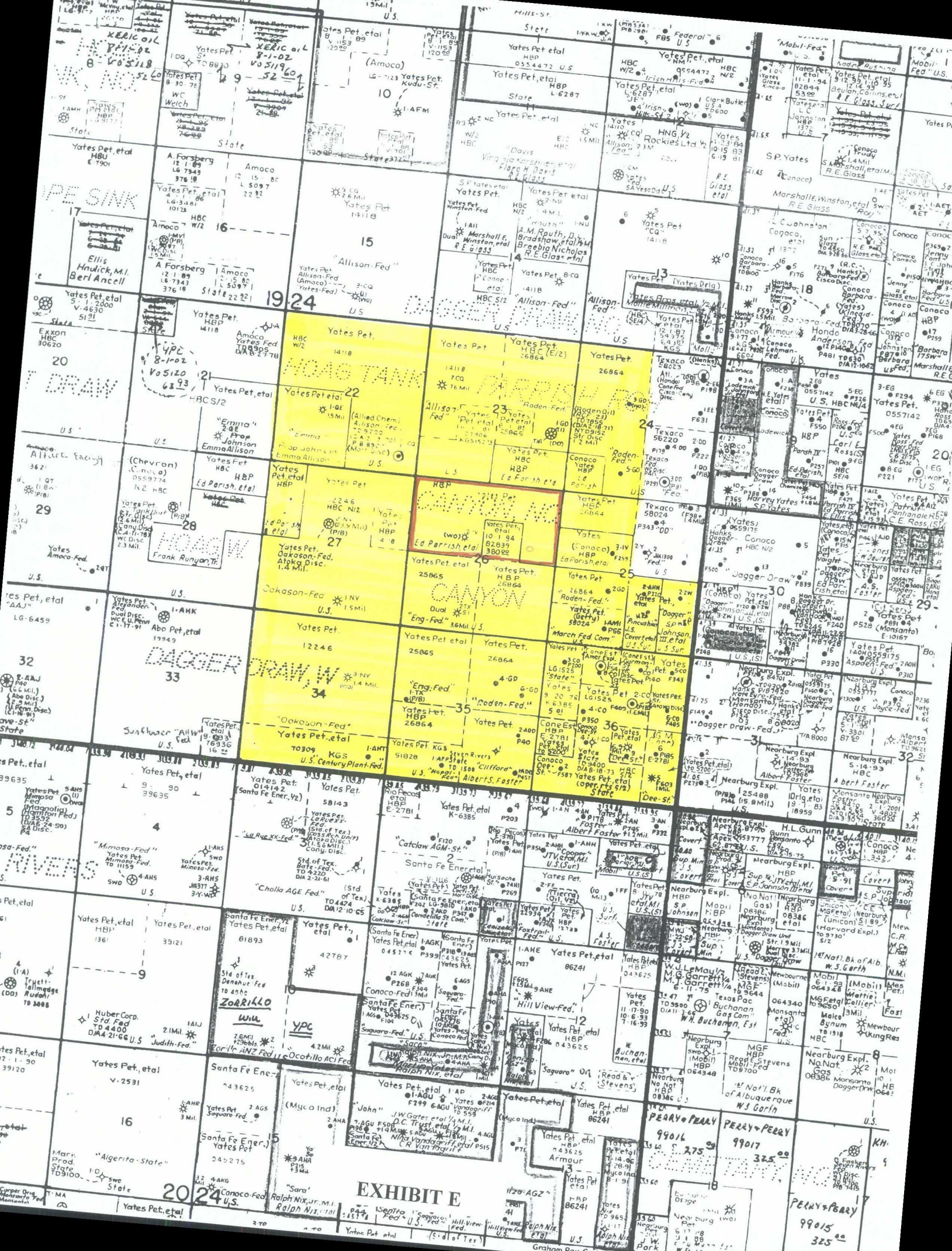
Yates Petroleum seeks approval of the Parish "IV" Com #6 and the Roden "GD" Federal Com #7, both unorthodox locations in the E/2 of Section 26 of Township 19 South - Range 24 East. Yates proposes to drill both locations to the Morrow Formation at a projected total depth of 9300 feet. The primary objective of the two proposed wells is the Morrow and Upper Penn Formations (the Upper Penn would be orthodox for both). Currently, there is no Morrow production in Section 26.

The structure map, with the top of the Morrow as a datum, shows a dip to the southeast. Well locations with data are Morrow penetrations, well locations without data are generally Upper Penn penetrations. The proposed locations are downdip of past Morrow production, but updip of other Morrow penetrations that were of poor reservoir quality. The problem in the localized area has been the lack of reservoir quality, not structure.

The isolith map represents sands of the Morrow Formation and shows the limits of sand deposition. The isolith map is a "clean sand" map with a gamma ray cutoff of 50 API units or less. This map shows two sand channels trending north-south, the sand thick on the east side of the map is the target for the proposed locations. The sand thicks should allow for better porosity and permeability, since this represents the area of highest energy within channel systems.

Both proposed locations have been placed in unorthodox positions to optimize sand thickness and increase the possibilities of encountering commercial quantities of hydrocarbons.







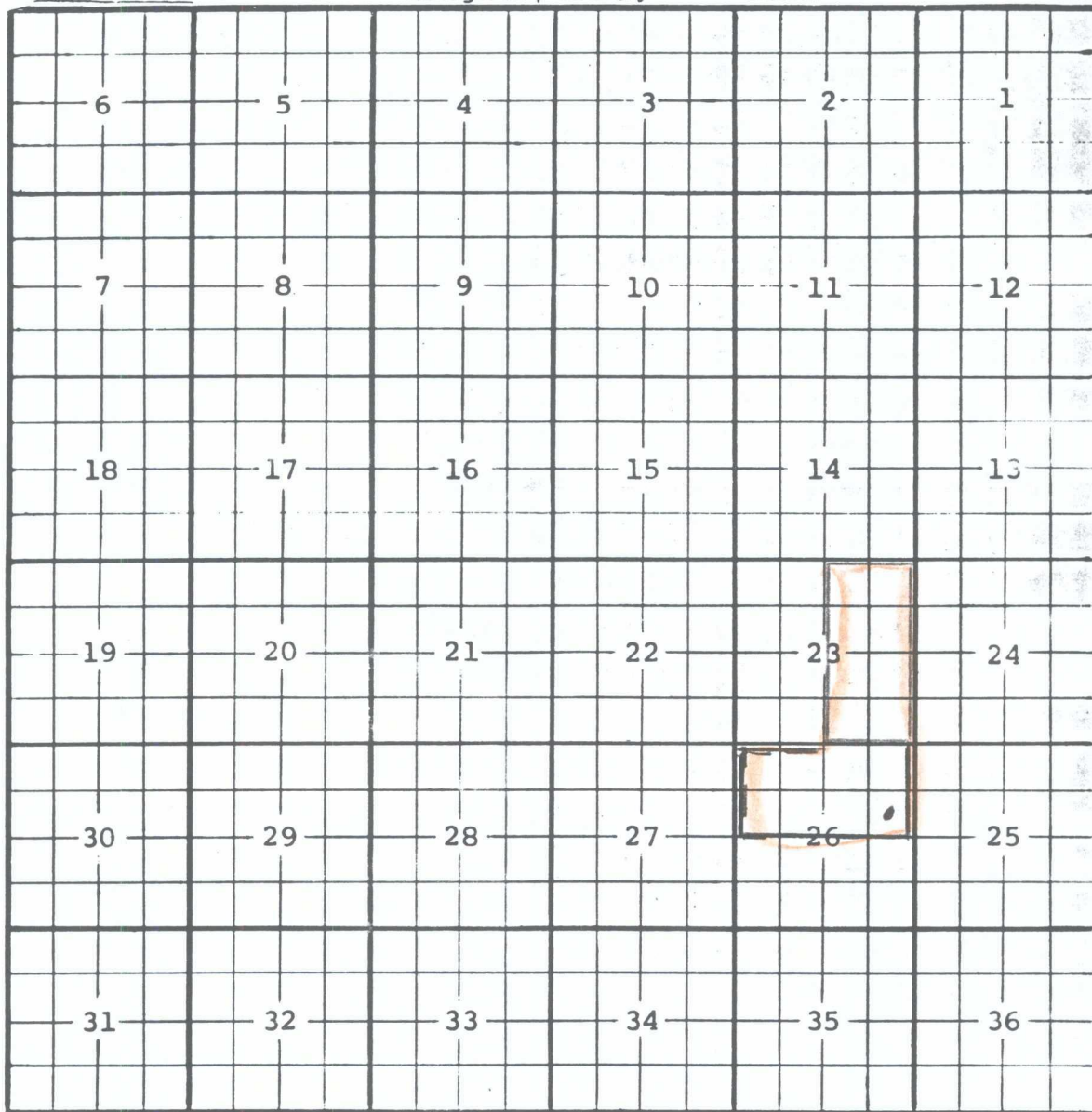
County Eddy

Pool Hoag Tank-Strawn Gas

TOWNSHIP 19 South

Range 24 East

NMPM

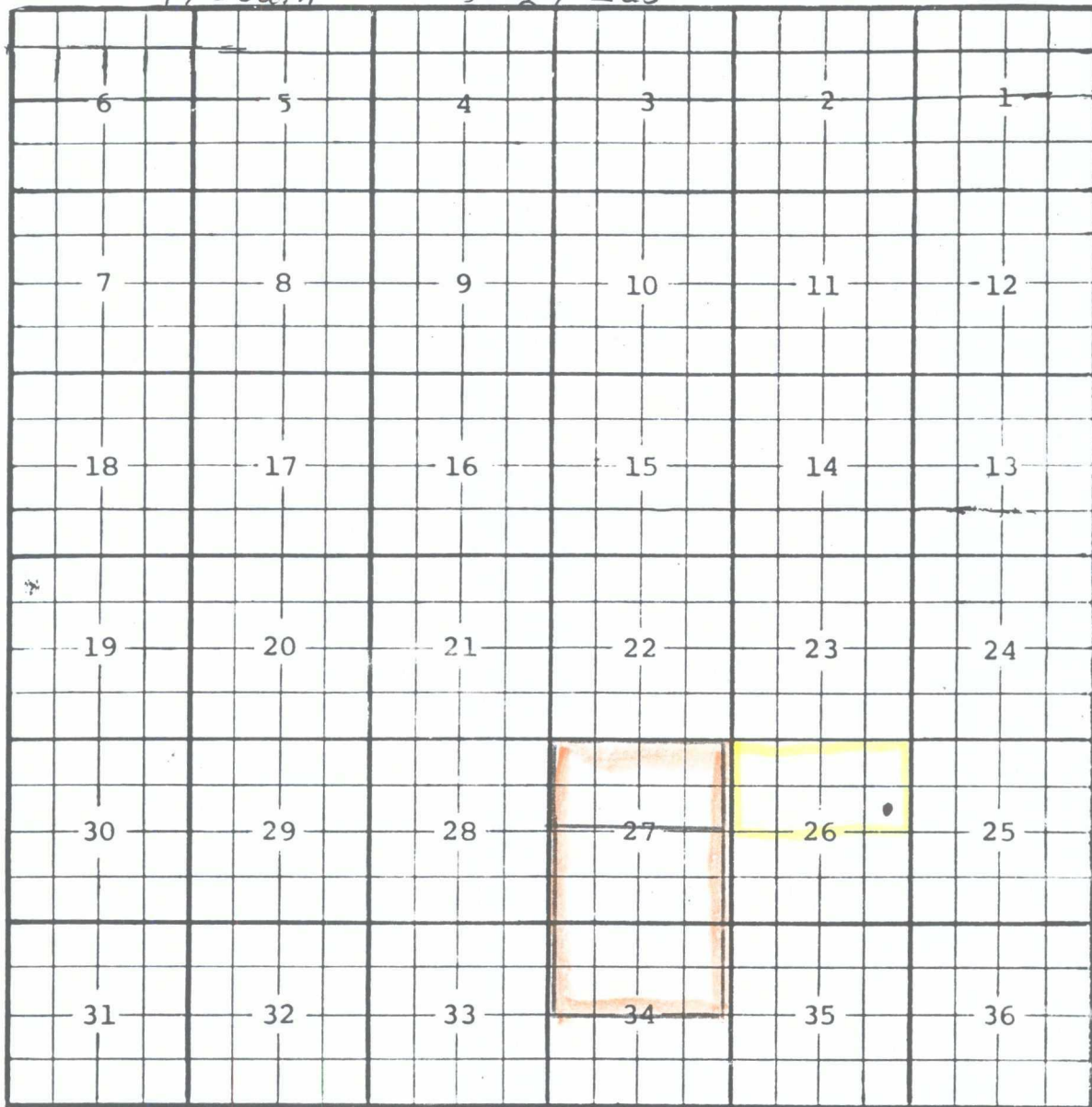


Description: E/2 Sec 23 (R-5609, 1-1-78)

Ext: N/2 Sec. 26 (R-10787, 4-9-97)

County Eddy Pool Hoag Tank-Atoka Gas

TOWNSHIP 19 South Range 24 East NMPM

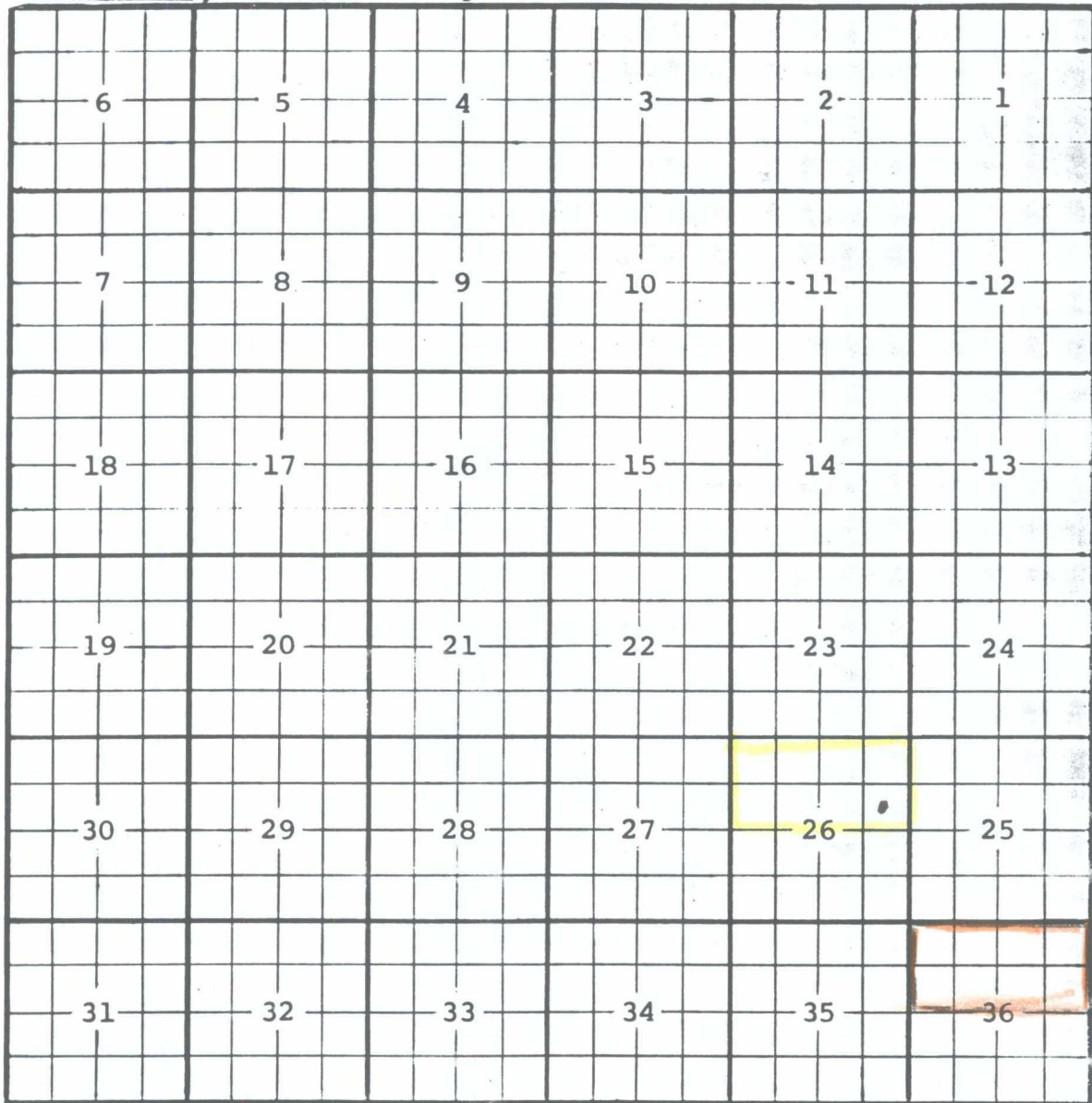


Description:  $N\frac{1}{2}$  Sec. 27 (A-9668, 5-6-92)

Ext:  $S\frac{1}{2}$  Sec. 27,  $N\frac{1}{2}$  Sec. 34 (A-9837, 1-27-93)



County Eddy Pool North Cemetery - Atoka Gas  
TOWNSHIP 19 South Range 24 East NMPM

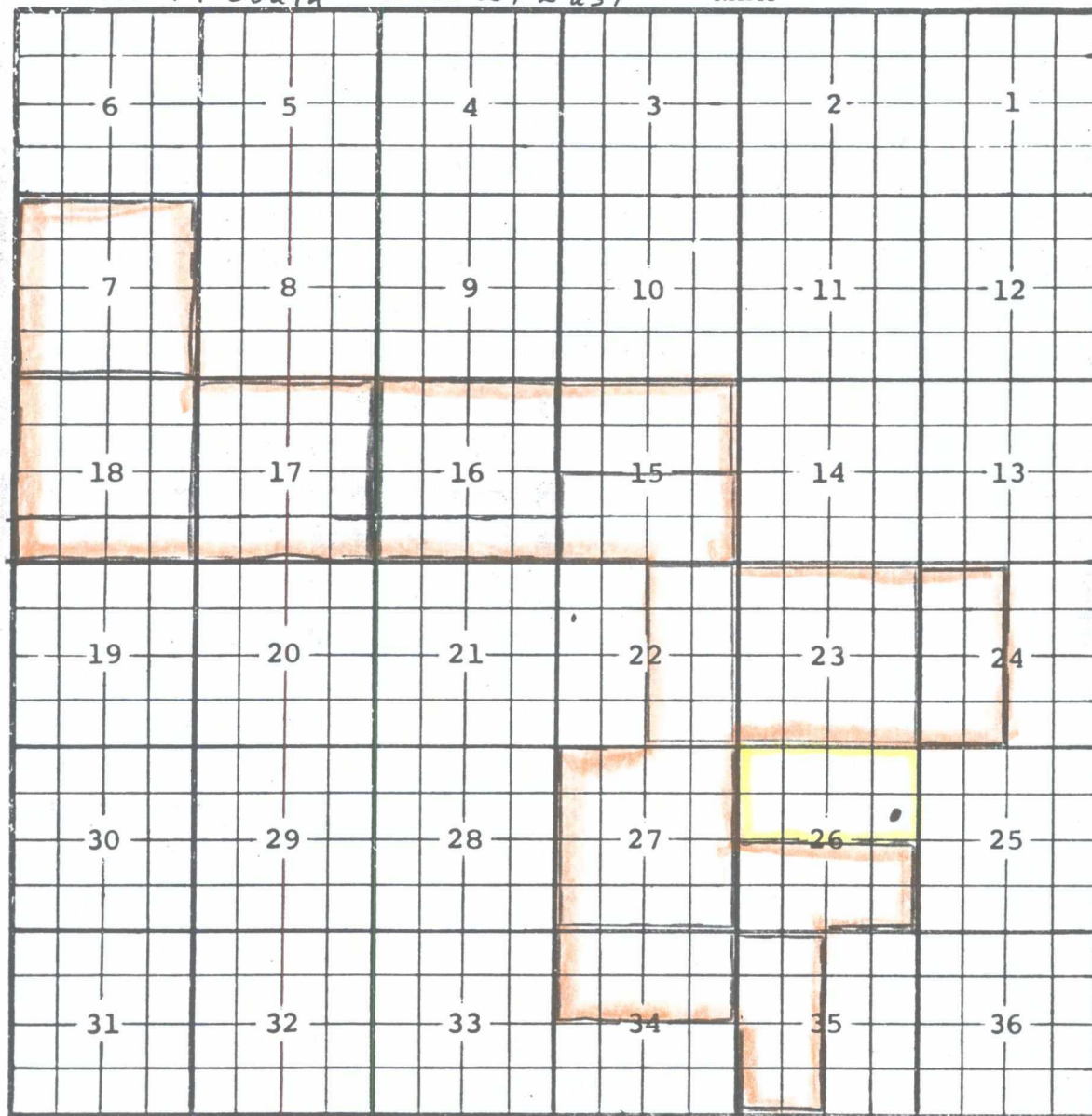


Ext: N/2 Sec 36 (A-5988, 5-1-79)



COUNTY EddyPOOL Hoag Tank-Morrow GasTOWNSHIP 19 SouthRANGE 24 East

NMFM



Description:  $\frac{E}{2}$  Sec 22 (R-5015, 6-1-75)

Ext: All Sec 23 (R-5309, 11-1-76) Ext:  $\frac{5}{2}$  Sec 15 (R-5781, 9-1-78)

Ext: All Sec 27 (R-6576, 2-10-81) Ext: All Sec 16 (R-6653, 4-20-81)

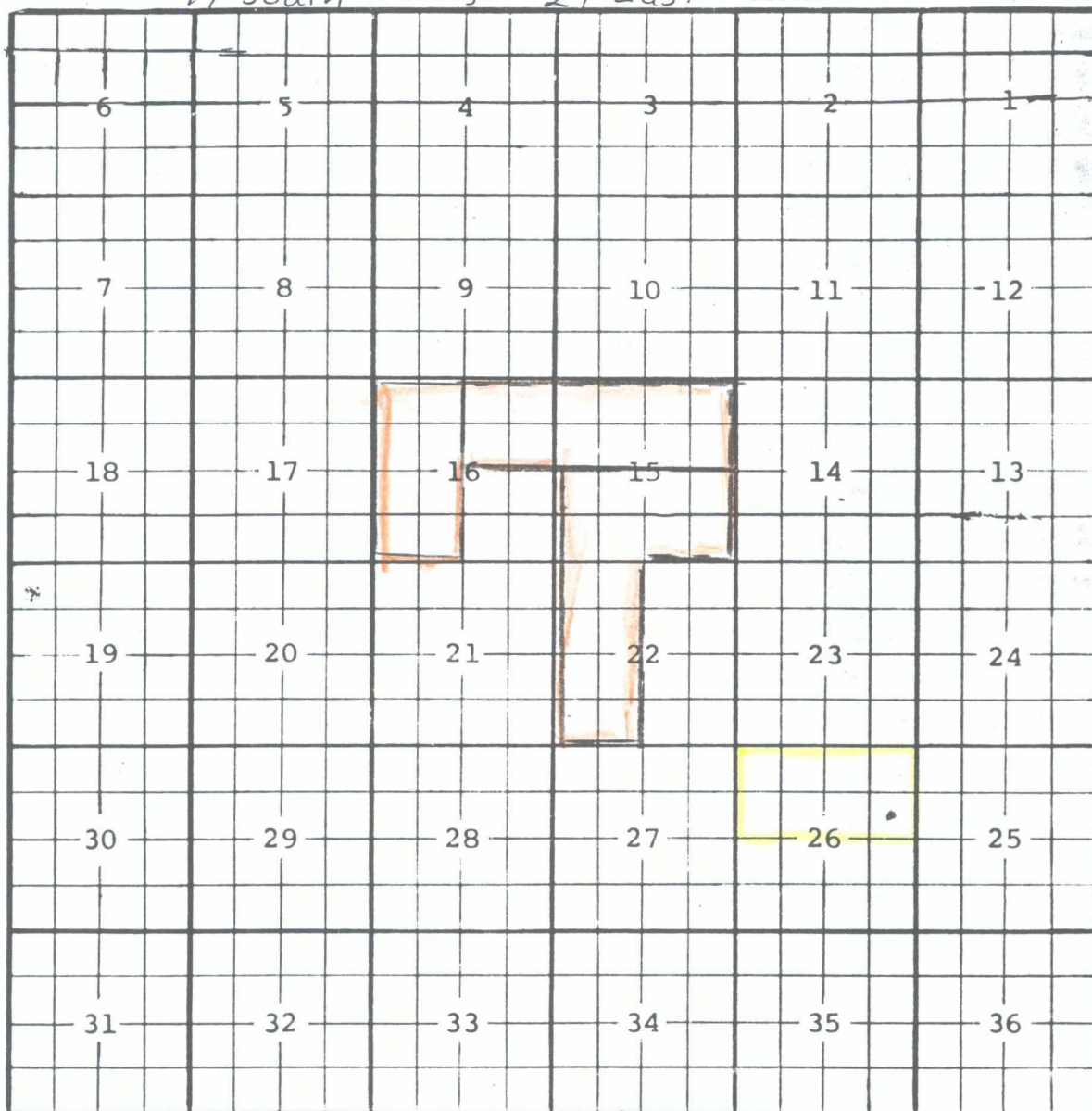
EXT:  $\frac{N}{2}$  sec 34 (R-7009, 6-19-82) Ext:  $\frac{N}{2}$  Sec. 15 (R-7131, 11-30-82)

Ext:  $\frac{W}{2}$  Sec. 35 (R-7158, 12-8-82)

Ext: Sec: 7, All, Sec: 17 + 18 all (R-7222, 2-25-83) ~~Ext:~~  $\frac{W}{2}$  SEC 24 (R-9096, 1-1-90) Ext:  $\frac{5}{2}$  Sec. 26 (R-9241, 7-31-90)

County Eddy Pool Hoag Tank-Wolfcamp Gas

TOWNSHIP 19 South Range 24 East NMPM



Description:  $\frac{W}{2}$  Sec. 16 (R-7279, 5-17-83)

Ext:  $\frac{N}{2}$  Sec. 15,  $\frac{NE}{4}$  Sec. 16 (R-10680, 10-8-96)

Ext:  $\frac{S}{2}$  Sec. 15,  $\frac{W}{2}$  Sec. 22 (R-10787, 4-9-97)



COUNTY *Eddy*

POOL *Canyon-Wolfcamp*

TOWNSHIP *19 South*

RANGE *24 East*

NMPM

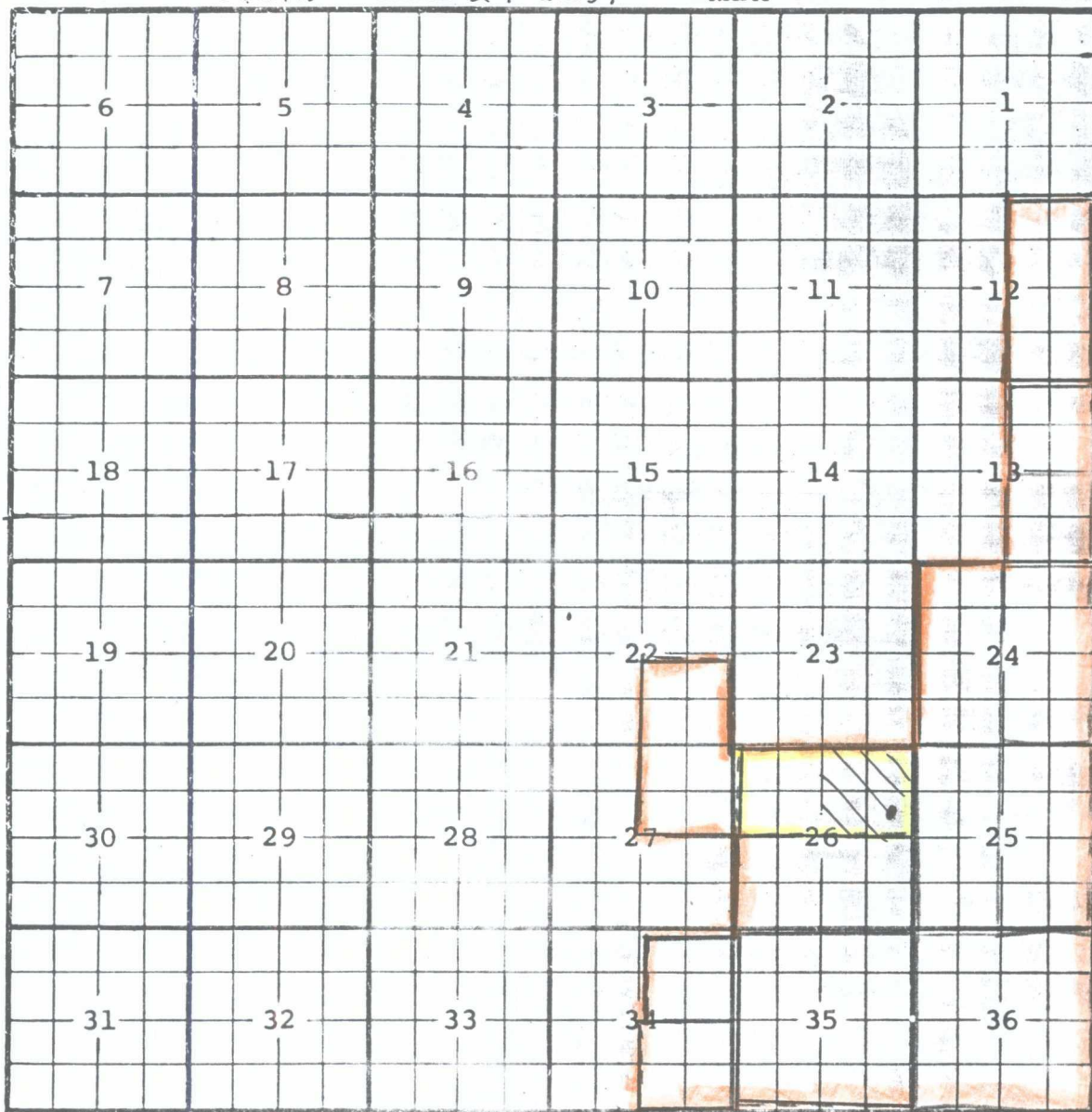
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

*Note: A yellow rectangle highlights the area between sections 23 and 26, and between sections 26 and 27. An orange rectangle highlights section 36. Section 26 contains diagonal hatching.*

Description: *NW 1/4 Sec. 36 (R-1532, 12-1-59)*

COUNTY EddyPOOL North Dagget Draw - Upper PennsylvanianTOWNSHIP 19 SouthRANGE 24 East

NMFM



Description:  $\frac{E}{2}$  Sec 24,  $\frac{E}{2}$  Sec 25, All Sec 36 (R-4691, 1-1-74)

Ext:  $\frac{SE}{4}$  Sec 13 (R-5417, 4-1-77) EXT:  $\frac{W}{2}$  SEC 25 (R-8665, 6/9/88)

EXT:  $\frac{W}{2}$  SEC 24 (R-9171, 6-1-90) EXT:  $\frac{NE}{4}$  Sec. 13,  $\frac{N}{2}$  Sec. 26 (R-9241, 7-31-90) EXT:  $\frac{SE}{4}$  Sec. 22,  $\frac{NE}{4}$  Sec. 27, All Sec. 35 (R-9326, 11-7-90)

EXT:  $\frac{SE}{4}$  SEC 34 (R-9418, 2-1-91) EXT:  $\frac{NE}{4}$  Sec. 34 (R-10324, 3-7-95)

EXT:  $\frac{E}{2}$  Sec. 12,  $\frac{S}{2}$  Sec. 26 (R-10724, 1-8-97)



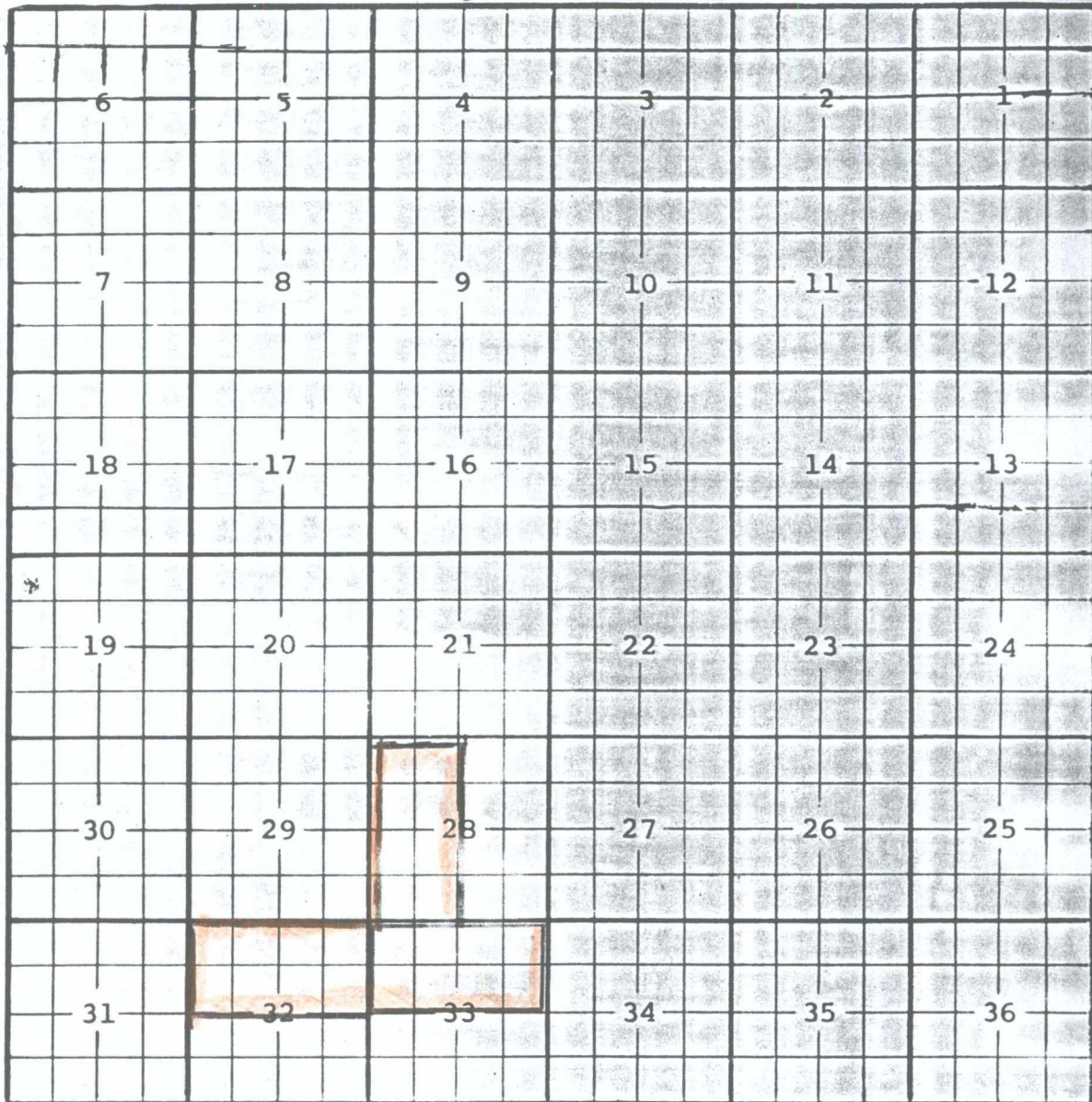
County EDDY

Pool WEST DAGGER DRAW - WOLF CAMP GAS

TOWNSHIP 19 SOUTH

Range 24 EAST

NMPM



DESC: N/2 SEC 33 (R-9473, 4-1-91)

EXT: W/2 SEC. 28, N/2 SEC. 32 (A-10787, 4-9-92)



COUNTY *Eddy*POOL *Dagger Draw-Wolfcamp Gas*TOWNSHIP *20 South*RANGE *24 East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description:  $\frac{NW}{4}$  Sec. 1 (R-3438, 7-1-68)

Ext:  $\frac{N}{2}$  Sec. 2 (R-10376, 5-24-95)



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	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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