

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 13, 1993

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10643
ORDER NO. R-9826

Dear Sir:

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

Sincerely,

Sally E. Leichtle
Sally E. Leichtle
Administrative Secretary

cc: BLM Carlsbad Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



January 5, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Janet Richardson

Administrative Order DD-73(NSBHL)

Dear Ms. Richardson:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and unorthodox gas well locations (104.F) and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on November 25, 1992, for authorization to directionally drill its proposed Amaranth "AMG" Federal Com Well No. 1, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) and 104.F(3) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 either have been or will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111.F, 104.F(3), and/or R-111-P, Rule G(3).

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Amaranth "AMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of

Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico by kicking off from the vertical and drilling in such a manner as to bottom in the Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of Section 12, being an unorthodox gas well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

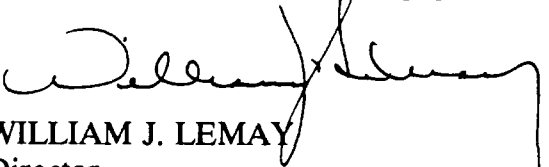
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the Morrow formation.

(5) 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
U.S. BLM - Carlsbad
~~File Case No: 10643~~
William F. Carr - Santa Fe



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 11, 1992

Yates Petroleum Corporation
c/o William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

*RE: Case No. 10643. Application of Yates
Petroleum Corporation for Directional
Drilling, Eddy County, New Mexico.*

Dear Mr. Carr:

The subject application will be re-advertised for the January 7, 1993 Examiner Hearing to cover the unorthodox bottom-hole location for the proposed Amaranth "AMG" Federal Com Well No. 1, (see General Rule 104.D(1)(a). I apologize this was not corrected when the original application was received.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer

MES/amg

cc: Case File: 10643



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 10, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Company
105 South Fourth Street
Artesia, NM 88210

Attention: Janet Richardson

**RE: *Administrative Application for Directional Drilling -
Amaranth "AMG" Federal Com Well No. 1, W/2
of Section 12, Township 20 South, Range 30 East,
NMPM, Eddy County.***

Dear Ms. Richardson:

So that I may process the subject application accordingly, please submit a copy of the Federal APD form for this well. Also, since the requested bottom-hole location is unorthodox, pursuant to General Rule 104.B(1)(a), please provide me a detailed explanation so that this issue can be addressed in the same order.

Should you have any questions or comments pertaining to this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: William F. Carr - Santa Fe
File: Case No. 10643