



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

MEMORANDUM

GARREY CARRUTHERS
GOVERNOR

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

TO: NEW MEXICO OIL PRODUCERS
FROM: WILLIAM J. LeMAY, Director, Oil Conservation Division *WJL*
SUBJECT: REGULATORY INITIATIVES TO INCREASE NEW MEXICO'S OIL PRODUCTION
DATE: SEPTEMBER 6, 1990

In response to the crisis in the Middle East, the Secretary of the Energy has asked oil producing states to take initiatives to increase domestic oil production.

To meet the Secretary's request, the New Mexico Oil Conservation Commission has placed on the **September 24, 1990**, docket a hearing to receive comments and suggestions from the oil industry on steps which the Division or the Commission might take to increase New Mexico's oil production immediately, and in the short term (3 to 6 months) and longer time frames.

The Commission is particularly interested to learn if producers see any Oil Conservation Division regulatory impediments which hinder drilling and/or production, whether oil allowables could be increased or eliminated, without violating correlative rights or creating waste, if there are any rule changes which could promote additional oil production and suggestions from industry relating to the Energy Secretary's directive. The Commission is soliciting comments only on actions which it or the Division might take and not on legislative initiatives or actions which would necessarily have to be taken by other governmental agencies, such as the Bureau of Land Management or Internal Revenue Service.

While no order will be issued as a result of this hearing, the Commission will utilize industry input in the implementation of regulatory policy which will allow or encourage higher production levels, either from existing wells or from new developments, without causing waste or impairing correlative rights.

PROPOSED NEW RULE 1135

Each gas transporter from a prorated gas well shall give notice to the Division within 30 days of new connection, reconnection or disconnection of a well to, or from, the gathering transportation system by filing Form C-135, in duplicate, with the appropriate District office of the Division, as required by the appropriate order of the Division (Order R-8170, as amended).



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 11, 1990

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

Mr. Ernest L. Padilla
Padilla & Snyder
Attorneys at Law
Post Office Box 2523
Santa Fe, New Mexico 87504-2523

Re: CASE NO. 10090
ORDER NO. R-9312

Applicant:
Yates Energy Corporation

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other William F. Carr

Yates Energy Corporation



OIL CONSERVATION DIVISION
RECEIVED

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April 3, 1991

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Case File- 10090

Attention: David R. Catanach

Re: Case No. 10090
Order No. R-9312
Thornbush Federal #2

Gentlemen:

Yates Energy Corporation was granted the captioned order to drill a Bone Spring test well in the SW/4SW/4 of Section 1-18S-31E, Eddy County, New Mexico. William J. LeMay granted a drilling extension until March 31, 1991 to begin the well.

Please be advised that Yates Energy Corporation was unable to drill this well within the extension period. Thank you for your assistance in this matter.

Yours very truly,

YATES ENERGY CORPORATION

Sharon R. Hamilton
Landman

SRH/gkm

cc Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

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

GARREY CARRUTHERS
GOVERNOR

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

December 12, 1990

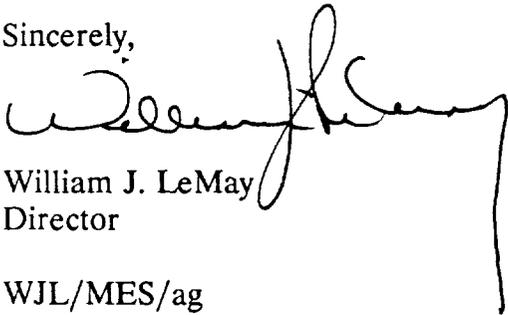
Ernest L. Padilla
Padilla & Snyder
P.O. Box 2523
Santa Fe, NM 87504-2523

Case 10090

Dear Mr. Padilla:

Based upon your letter of December 11, 1990, and in accordance with the provisions of Division Order No. R-9312, Yates Energy Corporation is hereby granted an extension of time in which to begin the well on the unit pooled by said order until March 31, 1991.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
Yates Energy Corporation - Roswell

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 29, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED
NOV 29 1990
OIL CONSERVATION DIVISION

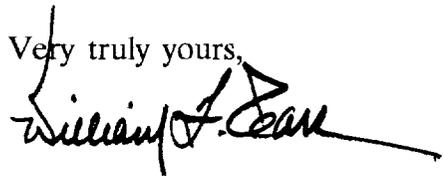
Re: Oil Conservation Division Case No. 10090 (De Novo); Order No. R-9312
In the Matter of Application of Yates Energy Corporation for Compulsory
Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Explorers Petroleum Corporation and Spiral, Inc. would appreciate the Division dismissing the above-referenced application.

Your assistance in this matter is appreciated.

Very truly yours,



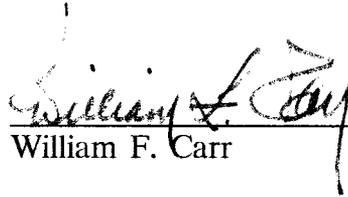
WILLIAM F. CARR

WFC:mlh

cc: Ms Shari Darr
Harvey E. Yates Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Hearing De Novo was mailed this 31st day of October, 1990 to Ernest L. Padilla, Post Office Box 2523, Santa Fe, New Mexico.



William F. Carr

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

FAX 988-7592
AREA CODE 505

ERNEST L. PADILLA
MARY JO SNYDER

December 11, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

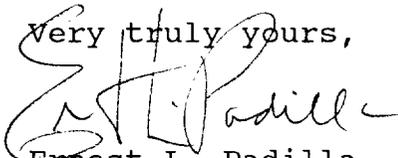
Re: Case No. 10090
Order No. R-9312

Dear Mr. LeMay:

On October 2, 1990 the Division issued the above-referenced Order on the application of Yates Energy Corporation for compulsory pooling. The order requires that Yates Energy Corporation commence drilling a well prior to January 1, 1991.

Because one of the non-consenting parties requested a de novo hearing and recently dismissed such request, and because Yates Energy Corporation must re-submit an AFE to a consenting party pursuant to an operating agreement, Yates Energy Corporation requests an extension of time from January 1, 1991 to and including March 31, 1991 to commence a well.

Thank you very much for your consideration of this matter. In the event that you are inclined not to grant this request, we request an expeditious reply so that my client can commence drilling under the present form of order in a timely manner.

Very truly yours,

Ernest L. Padilla

ELP:pmc
cc: Yates Energy Corporation

dec.ltr

RECEIVED

DEC 11 1990

OIL CONSERVATION DIV.
SANTA FE