

Roswell n.m.  
105 S. Delaware  
Mar 10, 1988.

State of New Mexico  
Dept of Energy & Mineral  
Oil Conservation Div.,  
P.O. Box 2088  
Santa Fe n.m 87501

Attention Examiner Michael Stagner

Re: Case no 8502

Gentlemen:

In reference to a petition by Yates ore Co. as  
of Jan. 12. 1988 I read it and thought I  
understood it. I signed and mailed it.

C. A. Doyle, who is in Albuquerque undergoing  
treatment for Cancer, was able to be home for a few  
days and most of the family were gathered for a  
discussion. Listening to the others discussion of the  
Yates plan I then understood I had been wrong in  
signing.

Both L. C. and C. A. Doyle have worked in oil  
fields and understood what we were asked to sign. I  
felt like a Judas betraying my family by signing.

I feel now it was deliberately so worded to trap me and  
others and that I had been falsely led and betrayed.  
I deeply regret signing and I firmly believe in  
keeping one word, feeling that I have been betrayed.  
I ask that my name be revoked.

Sincerely

Veda D. Williamson

March 8, 1988

Attention:  
Examiner, Michael E. Stagner  
State of New Mexico  
Energy & Mineral Dept.  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RE: Case # 8502  
Cactus Queen Unit Area  
Chavez Co., New Mexico

*M.S.*

Dear Sirs,

This letter is to protest the flooding of Doyal Wells in the above stated Unit.

I had the original ten copies notarized under the influence of shots that I was taking in preparation for a trip to South America. The papers were to be sent to Louis C. Doyal who has the power of attorney to act for me and on my behalf in any and all matters concerning the above. I had someone else mail the papers for me and they were inadvertently mailed to Dickerson, Fisk and Vandiver, attorneys at law, rather than Louis C. Doyal, who has power of attorney for me.

I have given him power of attorney to act for me in all matters concerning the above and accept without question his authority to act in my behalf, due to the distance of my residence and my own lack of knowledge in these matters.

Would you kindly consider this letter as a protest to the action proposed by Yates Drilling Co. in the above referenced case # 8502?

Thanking you in advance for the consideration of this request, and also that you consider any action by Louis C. Doyal on my behalf as if I had executed it myself.

My name is incorrect on all of the papers I have received.

Sincerely,

*Dorothy D. Vargus*  
Dorothy D. Vargus  
2055 Dalis Drive  
Concord, Calif 94520

CC: Yates Drilling Company 207 S. 4th St. Artesia, New Mexico 88210  
AttN: Kathy H. Colbert, Landman

Dickerson, Fisk & Vandiver, Atts at Law, Seventh & Mahone, Artesia, N.M. 88210  
Attn: Chad Dickerson

Louis C. Doyal, 810 Meadow Place, Roswell, New Mexico 88201



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

February 21, 1986

Peyton Yates, President  
Yates Drilling Company  
207 South 4th Street  
Artesia, New Mexico 88210

Re: Case No. 8502  
Order No. R-8000-A

Dear Mr. Yates:

In response to your letter of February 4, 1986, any further hearings in Case No. 8502 will only be triggered by commencement of injection into the well authorized by the subject order.

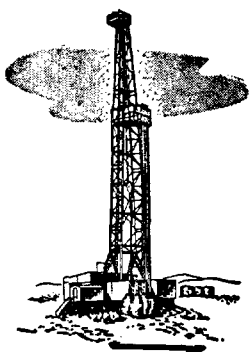
If no injection takes place, no further hearings will be required. An additional order dismissing the application is unnecessary.

I do agree with your conclusion that the record in the case shows that both Yates and the Doyals would recover more oil under institution of pressure maintenance. The record, however, does not show that such additional recovery would be proportional to the reserves under the various leases, a requirement for protection of correlative rights.

Sincerely,

R. L. STAMETS  
Director

RLS/fd



## YATES DRILLING COMPANY

YATES BUILDING — 207 SOUTH 4TH ST. — (505) 746-9889

ARTESIA, NEW MEXICO - 88210

PEYTON YATES,  
PRESIDENT

S. P. YATES,  
VICE PRESIDENT

B. W. HARPER,  
SEC. - TREAS.

JACK W. MCCAUL,  
ASST. SEC. - TREAS.

February 4, 1986

Mr. R. L. Stamets, Director  
New Mexico Oil Conservation Division  
Department of Energy and Minerals  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Re: Oil Conservation Division Case No. 8520 De Novo  
Application of Yates Drilling Company for a  
Pressure Maintenance Project  
Chaves County, New Mexico

Dear Mr. Stamets:

This letter is to advise you that as a result of the conditions imposed by Oil Conservation Division Order No. R-8000-A, which was entered on November 19, 1985, Yates Drilling Company has decided to abandon, for now, its plans to institute a partial pressure maintenance program in the Southeast Chaves Queen Area Associated Pool. Yates Drilling Company therefore requests that this matter be dismissed and not be the subject of further hearings as are provided for in Order Paragraph (7) of this Order.

Yates Drilling Company believes it cannot institute a pressure maintenance project pursuant to an Order which on its face finds that correlative rights will not be protected by commencement of injection of water in the Doyal No. 3 Well. See Findings (7) and (10). We believe that this Order places Yates Drilling Company in the anomalous position of having received Oil Conservation Division approval of our application by an order which contains findings that conclude that necessary pre-conditions to Oil Conservation Division jurisdiction (i.e., protection of correlative right) are missing.

Yates Drilling Company believes that a review of the record in this case clearly shows that all interest owners in the area--including the Doyals--would have recovered more oil if this application were properly

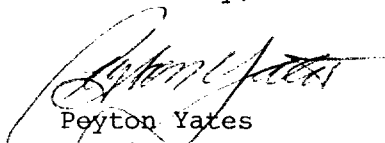
R. L. Stamets  
February 4, 1986

Page 2

granted and injection commenced. As written, Order No. R-8000-A impairs the correlative rights of Yates Drilling Company and the Doyals, as both are denied the opportunity to produce without waste their own fair share of reserves from the pool.

Based on this letter, we would appreciate your entering an Order dismissing our application in Case 8502.

Yours truly,



Peyton Yates  
President

PY/mw



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

November 20, 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. William F. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 3298  
Santa Fe, New Mexico

Re: CASE NO. 8581  
ORDER NO. R-8000-A

Applicant:

Yates Drilling Company

Dear Sir:

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

Sincerely,

R. L. STAMETS  
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD X  
Artesia OCD X  
Aztec OCD           

Other Clarence Doyal



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

August 29, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. Clarence Doyal  
308 South Kansas Avenue  
Roswell, New Mexico 88201

Re: Case 8502  
Order No. R-8000

Dear Mr. Doyal:

Your letter of August 23, 1985, concerning the application of Yates Drilling Company for a De Novo hearing of the above-referenced case has been received.

The Commission has no flexibility under the law and must set this case for hearing. No date has been set at this time but we anticipate the hearing will occur in mid October. You will receive notice of the hearing in the regular course of events.

Sincerely,

R. L. STAMETS  
Division Director

RLS/fd

308 South Kansas Avenue  
Roswell, New Mexico 88201  
August 23, 1985

CERTIFIED MAIL P 165 407 288  
RETURN RECEIPT REQUESTED

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

Re: Case 8502  
Order No. R-8000

Gentlemen:

In the matter of Case 8502, Order No. R-8000, we (Doyal - 100% royalty owner and Spheres - 100% land owner) request that the application of Yates Drilling Company for a De Novo hearing be denied.

*grant such*  
To ~~do so~~ would be a gross injustice to the oil royalty owners and land owners. To this day those wells in question are still perforated in the water zone and a water flood project would only remove the oil from the rightful owners, to adjoining wells owned and operated by Yates Drilling Company.

In the event of a hearing, we (Doyal and Spheres) request a notice be sent from your office a full thirty (30) days prior to any hearing.

We repeat our request that Yates Drilling Company not be allowed to use any wells within 1,300 feet of any individual royalty in this area of dispute for water flooding. They own many more wells in the area available for this purpose.

Yours truly,

*Clarence A. Doyal*

Clarence Doyal

CD/rpt

Encl. Case 8502  
Order No. R-8000

*Copies sent to*

*Lyman Graham - Royalty owner & land owner*  
*J. H. Spheres - - - - - land owner*  
*Raymond Spheres - - - - - land owner*



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. 8502  
Order No. R-8000

APPLICATION OF YATES DRILLING  
COMPANY FOR A PRESSURE MAINTENANCE  
PROJECT, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on March 13, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 8th day of August, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Drilling Company, seeks authority to institute a pressure maintenance project in the Southeast Chaves Queen Area Associated Pool by the injection of water into the Queen formation through a perforated interval from approximately 2991 feet to approximately 2997 feet in its Doyal Well No. 3 located 1980 feet from the South line and 990 feet from the East line of Section 27, Township 12 South, Range 31 East, NMPM, Chaves County, New Mexico.

(3) Royalty interest owners in the project area appeared in protest to the proposed pressure maintenance project.

(4) The working interest in the project area is common throughout, but the royalty interest is not common throughout the proposed pressure maintenance project area.

(5) The proposed pressure maintenance project area has not been unitized.

(6) The applicant presented testimony indicating that the proposed pressure maintenance project may result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) The applicant presented insufficient evidence to show that the correlative rights of the royalty interest owners to receive their fair share of production from the proposed pressure maintenance project area would not be adversely affected.

(8) The pressure maintenance project as proposed does not adequately protect correlative rights.

(9) The applicant's request to institute the proposed pressure maintenance project should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Drilling Company to institute a pressure maintenance project in the Southeast Chaves Queen Area Associated Pool in Chaves County, New Mexico, is hereby denied.

(2) 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



R. L. STAMETS  
Director

S E A L

fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

RECEIVED  
AUG 16 1985  
OIL CONSERVATION DIVISION

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

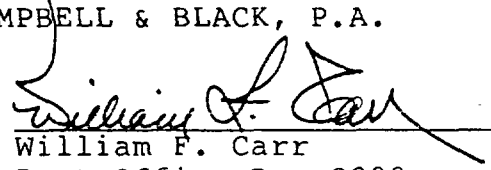
Case 8502  
Order No. R-8000

APPLICATION OF YATES DRILLING  
COMPANY FOR A PRESSURE MAINTENANCE  
PROJECT, CHAVES COUNTY, NEW MEXICO.

APPLICATION OF YATES DRILLING COMPANY  
FOR A HEARING DE NOVO

Pursuant to Rule 1220 of the Rules and Regulations of the  
New Mexico Oil Conservation Division, Yates Drilling Company, as  
an adversely affected party, applies for a De Novo hearing in  
this matter before the full Commission.

CAMPBELL & BLACK, P.A.

By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR YATES DRILLING  
COMPANY