

APRIL 10, 1985

AMEND R-7770

Change Harvey E. Yates  
to Yates Petroleum Corp.

Top of Wolfcamp to the  
base of the Mississippian  
oil (all formations 40, 80,  
• 160, etc.)

1980' FNL & 1980' FEL, Sec. 24,  
T14S, R 35E,

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CHAD

746 - 9841



# STATE LAND OFFICE

Date \_\_\_\_\_

To \_\_\_\_\_

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From: MICHAEL BURKHART  
ADMINISTRATIVE SERVICES DIRECTOR

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**FOR ACTION AS INDICATED:**

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| <input type="checkbox"/> Reply—my signature | <input type="checkbox"/> Please handle | <input type="checkbox"/> For your files     |
| <input type="checkbox"/> Reply—copy to me   | <input type="checkbox"/> Action        | <input type="checkbox"/> Comment and return |
| <input type="checkbox"/> Please summarize   | <input type="checkbox"/> Information   | <input type="checkbox"/> Please phone me    |
| <input type="checkbox"/> Please investigate | <input type="checkbox"/> Please mail   | <input type="checkbox"/> Please see me      |

**REMARKS:**

March 18, 1985

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

*Case 8553*

Re: Woodward "ABD" No. 1 Well  
Township 14 South, Range 35 East, NMPM  
Section 24: N/2  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation to Amend Order No. R-7770 to Compulsory Pool Additional Interests and Change Operator, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm  
Enclosures

cc w/enclosure: Mr. Ken Beardemphl  
Mr. Bob Bell

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION TO :  
AMEND ORDER NO. R-7770 TO COMPUL- :  
SORY POOL ADDITIONAL INTERESTS AND : CASE NO. 8372  
CHANGE OPERATOR, LEA COUNTY, NEW :  
MEXICO :  
\_\_\_\_\_ :

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. By Order No. R-7770 entered in Case No. 8372 on January 8, 1985, the Oil Conservation Division authorized, in part, the pooling of all mineral interests, whatever they may be, from the top of the Wolfcamp formation to the bottom of the Mississippian formation only, to form a standard 320-acre gas spacing and proration unit underlying the N/2 Section 24, Township 14 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and designated Harvey E. Yates Company operator of the subject well and unit.

2. Applicant has succeeded Harvey E. Yates Company as operator and is currently drilling its Woodward "ABD" No. 1 Well, at a point located 1,980 feet from the north line and 1,980 feet from the east line of Section 24, Township 14 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

3. Applicant may encounter oil production between the top of the Wolfcamp formation and the base of the Mississippian formation, and there are interest owners who have not agreed to pool their interests in said zones.

4. Order No. R-7770 should be amended to provide that all mineral interests, whatever they may be, should be pooled below the top of the Wolfcamp formation, in any conceivable oil proration unit to be dedicated to applicant's well.

5. Applicant desires to continuously develop any oil producing zones encountered in its well currently drilling, throughout the N/2 of said Section 24 pursuant to such order requested herein.

6. Applicant should be designated the operator of the well and the proration units in lieu of Harvey E. Yates Company.

7. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense, his just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the top of the Wolfcamp formation to the base of the Mississippian formation underlying any oil proration unit dedicated to applicant's well should be pooled as to such oil or gas proration units as may be established as productive.

8. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

9. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

10. The approval of this application will afford applicant the opportunity to produce its just and equitable share of oil, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order amending Order No. R-7770 to pool all mineral interests, whatever they may be, from the top of the Wolfcamp formation to the base of the Mississippian formation, or such lesser portion as may be

productive of oil and dedicated to applicant's well and to authorize applicant to continuously develop all such oil spacing and proration units throughout the N/2 Section 24, Township 14 South, Range 35 East, N.M.P.M.

C. That upon hearing the Division enter its order amending Order No. R-7770 to designate Yates Petroleum Corporation as operator in lieu of Harvey E. Yates Company.

D. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

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Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant