

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 5 September 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Yates Petroleum
10 Corporation for a non-standard
11 proration unit or in the alter-
12 native compulsory pooling, Eddy
13 County, New Mexico.

CASE
8304

14 BEFORE: Gilbert P. Quintana, Examiner

15 TRANSCRIPT OF HEARING

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17 A P P E A R A N C E S
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20 For the Oil Conservation
21 Division:

Charles E. Roybal
Attorney at Law
Energy and Minerals Dept.
525 Camino de Los Marquez
Santa Fe, New Mexico 87501

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23 For the Applicant:

Chad Dickerson
Attorney at Law
LOSEE, CARSON, DICKERSON, P. A.
P. O. Drawer 239
Artesia, New Mexico 88210

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I N D E X

JANET RICHARDSON

Direct Examination by Mr. Dickerson

E X H I B I T S

Yates Exhibit One, Map	5
Yates Exhibit Two, Completion Report	6
Yates Exhibit Three, Letter	6

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MR. QUINTANA: We will call next Case 8304.

Mr. ROYBAL: Case 8304, application of Yates Petroleum for a non-standard proration unit or in the alternative compulsory pooling, Eddy County, New Mexico.

MR. DICKERSON: Mr. Examiner, I am Chad Dickerson of Artesia, New Mexico, on behalf of the applicant, and we have one witness.

Because of--I might say, Mr. Examiner, because of some discussions with Mr. Ray Graham with the Land Office and Mr. Stamets in your office, I think the portion of this application which seeks compulsory pooling can be dismissed and we'll proceed with just the application for a non-standard proration unit.

MR. QUINTANA: Well, let me ask are there any other appearances in this case?

Let the record show that applicant has requested that the compulsory pooling portion of this application be dismissed, and that portion will so be dismissed.

(Witness sworn.)

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JANET RICHARDSON,

being called as a witness and having been duly sworn upon her oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name, your occupation, and where you reside, please?

A Janet Richardson. I work at Yates Petroleum Corporation and I live at 1108 Yates in Artesia, New Mexico.

Q Ms. Richardson, you are a landman and have previously testified before this Division as a landman, have you not?

A Yes, I have.

MR. DICKERSON: Is this witness qualified, Mr. Examiner?

MR. QUINTANA: Yes, she is.

Q Ms. Richardson, would you briefly summarize the purpose of Yates' application in Case 8304?

A Yes. We're here to seek approval of a non-standard spacing unit in the northeast corner of the northeast quarter and the south half of the northeast quarter of Section 36, Township 20 South, Range 27 East.

Q What circumstances gave rise to this request for an non-standard proration unit?

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A Well, we drilled a--or we thought we drilled a 40-acre oil well, on a standard location, and we inadvertently got a 160-acre gas well.

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Q What is the reason for the request for a non-standard unit of the 120 acres instead of the standard 160-acre gas unit?

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A Cities Service already has an existing deep gas well in the northwest of the northeast quarter, and have requested that we request this 120 acres facing it. They did not want to join with us in the drilling of this well.

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Q Ms. Richardson, would you refer to the map that we have marked as Exhibit Number One and tell the Examiner what is shown on that map?

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A This just shows the spacing unit we are requesting and it shows the gas well we have on it, and it also shows Cities Service's well in the northwest of the northeast.

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Q What is the situation concerning the underlying title of the 160 acres in question?

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A It's all under State Lease K-6261.

Q And title is uniform throughout that 160?

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A Yes, yes.

Q Have any discussions been had between representatives of Yates and the Land Office, the Commissioner of Public Lands, with regard to whether it might have any opposition to Yates' request for a non-standard unit under these circumstances?

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2 A Yes, we've had a conversation with Mr.
3 Ray Graham with the State Land Office, and he has said that
4 seeing as it is all under one lease and the same title that
5 they have no objection to this.

6 Q Refer to what you have marked as Exhibit
7 Number Two and tell us what that shows.

8 A This is a completion report showing the
9 completion of our well, the Citdel ZG State No. 1.

10 Q And that's the well indicated in the
11 northeast quarter of the northeast quarter of Section 36, is
12 that correct?

13 A Yes, it is.

14 Q And that completion report shows this
15 well to be completed as a gas well in the Bone Springs for-
16 mation?

17 A Yes, it is.

18 Q Refer to Exhibit Number Three and state
19 what that is.

20 A This is a copy of a letter we received
21 from Cities Service requesting that we get the reduced
22 spacing unit for this well. We had telephoned them and re-
23 quested a farm-out of their acreage or to know if they would
24 join, and they sent this letter saying that they did not
25 wish to.

26 Q So this request for a non-standard prora-
27 tion unit is actually at the instance of City Service?

28 A Yes, it is.

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MR. DICKERSON: Mr. Examiner,
at this time move the admission of Applicant's Exhibits One,
Two, and Three.

MR. QUINTANA: Exhibits One
through Three will so be admitted.

MR. DICKERSON: And I have no
further questions.

MR. QUINTANA: Does anybody
have any further questions of the witness? The witness may
be excused.

Case 8304 will be taken under
advisement.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete and correct transcript of the Examination held by me at No. 8304 heard by me on SEPT. 5 1984.
Gilbert P. Quintana, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 22 August 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Yates Petroleum Cor- CASE
10 poration for a non-standard proration 8304
11 unit or in the alternative compulsory
12 pooling, Eddy County, New Mexico.

13 BEFORE: Michael E. Stogner, Examiner

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15 TRANSCRIPT OF HEARING

16
17 A P P E A R A N C E S

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20 For the Oil Conservation Division: W. Perry Pearce
21 Attorney at Law
22 Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico 87501

23 For the Applicant:
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MR. STOGNER: Call next Case
Number 8304.

MR. PEARCE: That case is on
the application of Yates Petroleum Corporation for a
non-standard proration unit, or in the alternative
compulsory pooling, Eddy County, New Mexico.
County, New Mexico.

Mr. Examiner, applicant has re-
quested continuance until September the 5th, 1984.

MR. STOGNER: Case Number 8304
will be continued to the Examiner Hearing scheduled for
September 5th, 1984.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the Examiner hearing of Case No. 8304 heard by me on August 22, 1984.
Michael E. Stogner, Examiner
Oil Conservation Division