

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

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION : CASE NO. 10241
FOR AN UNORTHODOX GAS WELL :
LOCATION, EDDY COUNTY, NEW MEXICO :
_____ :

RECEIVED

PRE-HEARING STATEMENT

FEB 18 1991

OIL CONSERVATION DIV.
SANTA FE

This pre-hearing statement is submitted by Yates Petroleum Corporation, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation

Ernest L. Carroll
Losee, Carson, Haas
& Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88210

OPPOSITION OR OTHER PARTY

ATTORNEY

See attached Exhibit "A"

None

STATEMENT OF CASE

APPLICANT

Applicant is the operator of the Judith "AIJ" Federal No. 1 Well, as listed in the Amended Application, which is producing from the Morrow Formation in Eddy County, New Mexico.

Applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the unorthodox location described in the Amended Application to a depth sufficient to adequately test the Morrow Formation. Applicant requests that a 320-acre proration unit comprising the E/2 of Section 9, Township 20 South, Range 24 East, N.M.P.M., be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of hydrocarbons.

The approval of this Amended Application will afford Applicant the opportunity to produce its just and equitable share of hydrocarbons, 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.

OPPOSITION OR OTHER PARTY

See attached Exhibit "A" which sets out the operators and interest owners.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mike Burch, Landman	10 mins.	3
Denise Fly, Geologist	15 mins.	3

OPPOSITION

Unknown

LOSEE, CARSON, HAAS & CARROLL, P.A.

By:

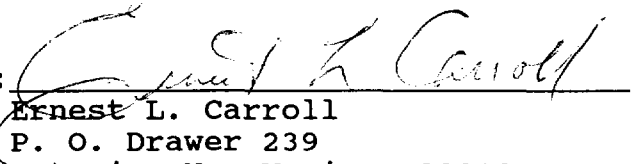

Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

EXHIBIT "A"

Santa Fe Energy Operating Partners, LP
550 West Texas, Suite 1330
Midland, Texas 79701

Torch Operating Company
P. O. Box 200722
Houston, Texas 77216-0722

Conoco, Inc.
P. O. Box 1959
Midland, Texas 79702

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION : CASE NO. 10241
FOR AN UNORTHODOX GAS WELL :
LOCATION, EDDY COUNTY, NEW MEXICO :
:


Attorneys for Applicant,
Yates Petroleum Corporation

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

SUBSCRIBED AND SWORN TO before me this February 14,
1991.

My commission expires:

10-18-94



Notary Public

EXHIBIT "A"

Santa Fe Energy Operating Partners, LP
550 West Texas, Suite 1330
Midland, Texas 79701

Torch Operating Company
P. O. Box 200722
Houston, Texas 77216-0722

Conoco, Inc.
P. O. Box 1959
Midland, Texas 79702

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
505 746-3506
TELECOPY
505 746-6316

January 23, 1991

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for an unorthodox gas well location for its Judith "AIJ" Federal No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:bjk
Enclosures

cc w/encl: Ms. Kathy Porter
Santa Fe Energy Operating Partners, LP
Conoco, Inc.
Torch Operating Company
Chevron U.S.A., Inc.

EXHIBIT "B"

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: <i>Weller, W.D.H., Jr. P.O. Box 1150 McLennan, TX 79702</i>		4. Article Number <i>1916 634 334</i>	
Signature — Agent <i>W.D.H. Weller</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Date of Delivery <i>JAN 25 1991</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
Signature — Address		8. Addressee's Address (ONLY if requested and fee paid)	

Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

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Article Addressed to: <i>Weller, W.D.H., Jr. P.O. Box 1150 McLennan, TX 79702</i>		4. Article Number <i>1916 634 332</i>	
Signature — Agent <i>W.D.H. Weller</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Date of Delivery <i>JAN 24 1991</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
Signature — Address		8. Addressee's Address (ONLY if requested and fee paid)	

Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: <i>Frank C. Weller, Jr. P.O. Box 200722 Houston, TX 77216-1722</i>		4. Article Number <i>1916 636 333</i>	
Signature — Agent <i>W.D.H. Weller</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Date of Delivery <i>JAN 20 1991</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
Signature — Address		8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: <i>W.D.H. Weller, Jr. 550 W. Texas, Suite 1330 McLennan, TX 79701</i>		4. Article Number <i>1916 634 335</i>	
Signature — Agent <i>W.D.H. Weller</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Date of Delivery <i>1-24</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
Signature — Address		8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
505 746-2608
TELETYPE
505 746-6316

January 31, 1991

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Amended Application of Yates Petroleum Corporation

Dear Mr. LeMay:

Enclosed for filing, please find three copies of the Amended Application of Yates Petroleum Corporation for an unorthodox gas well location for its Judith "AIJ" Federal No. 1 Well in Eddy County, New Mexico. Yates Petroleum Corporation is filing its Amended Application to change the total depth of the well to the Morrow Formation, rather than the Cisco Canyon Formation.

We ask that this case be set for hearing before an examiner and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:bjk
Enclosures

cc w/encl: Ms. Kathy Porter
Santa Fe Energy Operating Partners, LP
Conoco, Inc.
Torch Operating Company
Chevron U.S.A., Inc.

EXHIBIT "C"

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: *Reel Operating Co.*
P.O. Box 210722
Houston, TX 77016-0722

4. Article Number *P916 634 339*

Type of Service: ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

Signature — Address

8. Addressee's Address (ONLY if requested and fee paid)

Signature — Agent *[Signature]*

Date of Delivery *FEB 4 1991*

Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

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☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: *Write to GUNBO Corp. Houston, TX*
5500 W. Harris, Suite 1330
Middleland, TX 79701

4. Article Number *P916 634 341*

Type of Service: ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

Signature — Address

8. Addressee's Address (ONLY if requested and fee paid)

Signature — Agent *[Signature]*

Date of Delivery *2-4*

Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: *Cheney, Wood, J. Inc.*
P.O. Box 1150
Middleland, TX 79702

4. Article Number *P916 634 340*

Type of Service: ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

Signature — Address

8. Addressee's Address (ONLY if requested and fee paid)

Signature — Agent *[Signature]*

Date of Delivery *FEB 4 1991*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

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☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to: *Conoco, Inc.*
P.O. Box 1959
Middleland, TX 79702

4. Article Number *P916 634 338*

Type of Service: ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

Signature — Address

8. Addressee's Address (ONLY if requested and fee paid)

Signature — Agent *[Signature]*

Date of Delivery *FEB 4 1991*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
505 746-3508
TELECOPY
505 746-6316

February 13, 1991

CERTIFIED MAIL

Santa Fe Energy Operating Partners, LP
550 West Texas, Suite 1330
Midland, Texas 79701

Conoco, Inc.
P. O. Box 1959
Midland, Texas 79702

Torch Operating Company
P. O. Box 200722
Houston, Texas 77216-0722

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702

Re: Application of Yates Petroleum Corporation
for an Unorthodox Gas Well Location for its
Judith "AIJ" Federal No. 1 Well

Gentlemen:

We have received notice from the New Mexico Oil Conservation Division that the hearing for the above application has been set for next Thursday, February 21, 1991, at 8:15 A.M., in Santa Fe, New Mexico. Should you have any questions regarding this application, please do not hesitate to contact me.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:bjk
Enclosure

cc w/encl: Ms. Kathy Porter

EXHIBIT "D"

P 916 834 345

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
WASHINGTON, D.C. 20540
(See Reverse)

Post to: *Fenton*

Street and No.

City, State and Zip Code

Postage	
Certified Fee	
Basic Delivery Fee	
Registered Delivery Fee	
Return Receipt (showing to whom and Date Delivered)	
Return Receipt (showing to whom, Date, and Address of Delivery)	
TOTAL Postage and Fee	

Postmark or Date

PS Form 3800, June 1985

P 916 834 346

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
WASHINGTON, D.C. 20540
(See Reverse)

Post to: *Fenton*

Street and No.

City, State and Zip Code

Postage	
Certified Fee	
Basic Delivery Fee	
Registered Delivery Fee	
Return Receipt (showing to whom and Date Delivered)	
Return Receipt (showing to whom, Date, and Address of Delivery)	
TOTAL Postage and Fee	

Postmark or Date

PS Form 3800, June 1985

P 916 834 347

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
WASHINGTON, D.C. 20540
(See Reverse)

Post to: *Fenton*

Street and No.

City, State and Zip Code

Postage	
Certified Fee	
Basic Delivery Fee	
Registered Delivery Fee	
Return Receipt (showing to whom and Date Delivered)	
Return Receipt (showing to whom, Date, and Address of Delivery)	
TOTAL Postage and Fee	

Postmark or Date

PS Form 3800, June 1985

P 916 834 344

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
WASHINGTON, D.C. 20540
(See Reverse)

Post to: *Fenton*

Street and No.

City, State and Zip Code

Postage	
Certified Fee	
Basic Delivery Fee	
Registered Delivery Fee	
Return Receipt (showing to whom and Date Delivered)	
Return Receipt (showing to whom, Date, and Address of Delivery)	
TOTAL Postage and Fee	

Postmark or Date

PS Form 3800, June 1985