### 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 1 8 1991

OIL CONSERVATION DIV.

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

### APPEARANCES OF PARTIES

ATTORNEY **APPLICANT** 

Ernest L. Carroll Yates Petroleum Corporation

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.

Bv:

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

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

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL

CASE NO. 10241

LOCATION, EDDY COUNTY, NEW MEXICO :

# CERTIFICATE OF MAILING AND COMPLIANCE WITH RULE 1207

In accordance with Division Rule 1207, I hereby certify that on January 23, 1991, a copy of the Application filed in the above referenced case was mailed, at least 20 days prior to hearing set for February 21, 1991, to the operators and interested parties listed in Exhibit "A" attached hereto. On January 31, 1991, a copy of the Amended Application filed in the above referenced case was mailed to the operators and interested parties listed in Exhibit "A" attached hereto. On February 13, 1991, notice of the hearing set for February 21, 1991, a copy of which notice was received in this office on February 11, 1991, was mailed to the operators and interested parties listed in Exhibit "A" attached hereto.

Also attached hereto are copies of said correspondence as mailed to each operator and interested party as Exhibits "B", "C" and "D", respectively.

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

Ernest L. Carroll

P. O. Drawer 239

Artesia, New Mexico 88210

(505/746-3505)

Attorneys for Applicant, Yates Petroleum Corporation

STATE OF COUNTY	NEW MEXICO ) : ss. OF EDDY )
1991.	SUBSCRIBED AND SWORN TO before me this February 14,
My commis	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 1505 746-3506 TELECOPY 505 146-0346

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.

orm 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT		Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT	Signature — Agent  Date of Delivery  JAN 25 1991	Signature - Address  8. Addresse S Address (ONLY if requested and fee paid)	Complete items 1 and 2 when additional serviness in the "RETURN TO" Space on the reverse sing returned to you. The return receipt fee will provid the of delivery. For additional fees the following service (s) requested: to whom delivered, date, and addressee's address (Extra charge)  Idressed to:  4.  7.5.5.5  Alway: Complete items 1 and 2 when additional service (s) requested: 1 and 2 addressee's a
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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

TELETIHONE 505 746-2508 TELETION 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.

Érnest 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.

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DOMESTIC RETURN RECEIPT

LAW OFFICES

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

EPNEST 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

TELEFHONE 505 746-3506 TELECOPY 505 746 63:6

### February 13, 1991

### CERTIFIED MAIL

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

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

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