

CASE 5558: Appl. of YATES  
PETROLEUM CORP. for an UNORTHODOX  
GAS WELL LOCATION, Eddy County

(*Yates*)  
*Yates*

CASE NO.

5558

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 24, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum  
Corporation for an unorthodox gas well  
location, Eddy County, New Mexico.

CASES  
5558  
5559  
5560

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Thomas Derryberry, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

sid morrison reporting service

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 MR. NUTTER: We will call the next Case, 5558,  
2 5559, and 5560, all three, which are all applications of  
3 Yates Petroleum Corporation for unorthodox gas well locations  
4 in Eddy County.

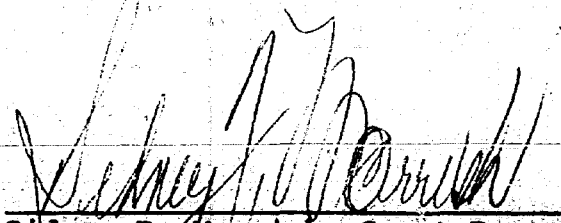
5 MR. DERRYBERRY: Mr. Examiner, the applicant in  
6 these cases has requested that each of these cases be  
7 dismissed.

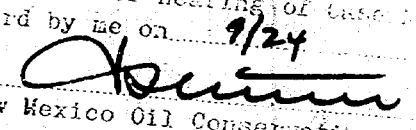
8 MR. NUTTER: Cases numbers 5558, 5559 and 5560  
9 will be dismissed.  
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**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico, 87501  
Phone (505) 982-9212

State of New Mexico )  
 ) ss.  
 County of Santa Fe )

I, SIDNEY F. MORRISH, a court reporter, do hereby  
 certify that the foregoing and attached Transcript of Hearing  
 before the New Mexico Oil Conservation Commission was reported  
 by me, and the same is a true and correct record of the said  
 proceedings to the best of my knowledge, skill and ability.

  
 Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of case No. 3358-59-60  
 heard by me on 9/24 1975  
  
 Examiner  
 New Mexico Oil Conservation Commission

sid morrish reporting service  
 General Court Reporting Service  
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
 Phone (505) 982-9212

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
September 30, 1975



STATE GEOLOGIST  
EMERY C. ARNOLD

Joel M. Carson  
Losee & Carson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 5558  
ORDER NO. R-5098

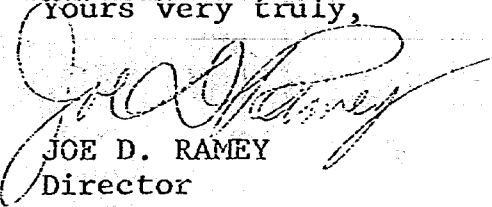
Applicant:

Yates Petroleum Corporation

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC ☒

Artesia OCC ☒

Aztec OCC ☐

Other ☐

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5558  
Order No. R-5098

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24,  
1975, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner.

NOW, on this 30th day of September, 1975, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in  
the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5558 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove  
designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramsey*  
JOE D. RAMSEY, Member & Secretary

S E A L

dr/

Dockets Nos. 23-75 and 24-75 are tentatively set for hearing on October 8, and October 15, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

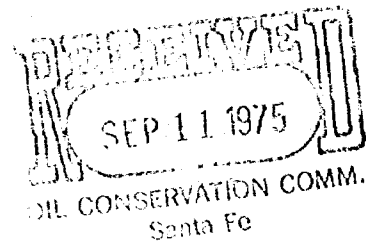
DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 24, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Joe D. Ramey, Alternate Examiner:

- CASE 5555: Application of Lone Star Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Devonian formation through the open-hole interval from 12,180 feet to 12,226 feet in its Santa Fe Well No. 2 located in Unit 0 of Section 19, Township 9 South, Range 37 East, East Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 5556: Application of Atlantic Richfield Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from 4,573 feet to 4,682 feet in its State "F" TG Well No. 5 located in Unit A of Section 36, Township 17 South, Range 33 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- CASE 5557: Application of C & K Petroleum, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Power Deep Unit comprising 5,713 acres, more or less, of State and Federal lands in Townships 17 and 18 South, Ranges 30 and 31 East, Eddy County, New Mexico.
- CASE 5558: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its BZ Well No. 12 to be drilled at a point 660 feet from the South and West lines of Section 21, Township 17 South, Range 25 East, Eddy County, New Mexico, to have dedicated the W/2 of said Section 21.
- CASE 5559: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled at a point 660 feet from the North and West lines, or in the alternative, 1980 feet from the North line and 660 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, to have dedicated the N/2 of said Section 30.





BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO.

CASE NO. 5558

APPLICATION

COMES YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. That applicant is an operator of a majority of  
the interest in the Pennsylvanian formation underlying:

Township 17 South, Range 25 East, N.M.P.M.

Section 21: W/2

2. Applicant proposes to drill its "BZ" No. 12 well  
at a location 660 feet from the South and 660 feet from the West  
lines of said Section 21, and to dedicate the W/2 of said Section  
21 to the well.

3. Applicant seeks an exception to the well location  
requirements of Rule 104-C of the Oil Conservation Commission  
to permit the drilling of the well at the above mentioned un-  
orthodox location to a depth sufficient to adequately test the  
Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising  
the W/2 of said Section 21 should be dedicated to the "BZ" No. 12.

5. That the approval of this application will afford  
applicant the opportunity to produce its just and equitable

share of gas, 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 Commission enter its order granting applicant permission to drill its "BZ" No. 12 at the above mentioned unorthodox location, and to dedicate the W/2 of said Section 21 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 

LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

DOCKET MAILED

Date 9/12/75

*12*  
DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5558

Order No. R- 5098

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY, NEW  
MEXICO.

*Don*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 24, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1975, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5558 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove  
designated.

Yates Petroleum Corp - unorthodox gas well  
location

BZ #12 well

21-17-25

to be drilled.

660 FSL + 660 FWL

W/Z - dedicated

application taken by phone

9:30 a.m.

9/2/75

from Joel Carson

Case 5558