CASE 5695: YATES PET. CORP. FOR AN UNORTHODOX OIL WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

5625

APPlication, Transcripts, Small Exhibits,

ETC.

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NEW MEXICO OIL CONS Santa Fe,	RE THE SERVATION COMMISSION New Mexico 21, 1976
EXAMINE	R HEARING
IN THE MATTER OF: Application of Yates Petrion for an unorthodox of Eddy County, New Mexico.)) coleum Corpora-) CASE
BEFORE: Richard L. Stamets, E. TRANSCRIPT	xaminer
APPEA	RANCES
For the New Mexico Oil Conservation Commission:	
For the Applicant:	A. J. Losee, Esq. LOSEE & CARSON, P.A. Attorneys at Law 30J American Home Building Artesia, New Mexico

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825 Calle Mejia, No. 122., Santa Fe, New Mexico 87501
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 MR. STAMETS: We will call the next Case 5695.

Mr. CARR: Case 5605, application of Yates

Petroleum Corporation for an unorthodox oil well location,

Eddy County, New Mexico.

MR. LOSEE: A. J. Losee appearing on behalf of Yates Petroleum Corporation. I have one witness, Mr. Eddie Mahfood.

MR. STAMETS: This is the same witness previously sworn in a previous case and the record should so reflect.

EDDIE MAHFOOD

called as a witness, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q. What is the purpose of this application, Mr. Mahfood?

A Yates Petroleum is considering a secondary recovery project in the Eagle Creek-San Andres Field and before we do any injecting we are considering putting a fifth well in this forty acres and monitoring this well from the very start, putting it in a separate tank battery, noting the decline at some point where we can go ahead and start injecting and observe the effect of the injection on this well but in order to do this we need to get the decline history before we start

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the secondary recovery.

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In a sense you might be able to say this fifth well is the beginning of a secondary recovery project because there might be some advantage to such a drilling.

- Q This fifth well is not located on this forty in an active waterflooding program?
 - A This is correct.
- Q Please refer to your plat which is Exhibit One and briefly state what it portrays?
- A. The plat is a lease-ownership map with the square outlined in yellow is the forty acres we are considering for the pilot area. It is in the southwest of the northeast quarter of Section 22 of 17, 25. There are already four wells located on there, the No. 3, 6, 9 and 11.
 - Q They are all producing at this time?
 - A. They are all producing.
 - who has the offset acreage?
 - A. Yates Petroleum has all of the offset acreage.
- Q. Please refer to what has been marked as Exhibit Two and explain what is shown by this exhibit?
- A. Exhibit Two is an isopachous map of the Eagle Creek-San Andres and that line going right through the yellow circle which is the proposed No. 13 well is seven porosity feet.
 - Q. What kind of wells are the offset wells on this

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forty, how much oil are they making approximately or do you know at this time?

- A. I could only give you an average figure. We are averaging around ten to twelve barrels a day a well.
- Q. As far as this new fifth well are you going to put in a separate battery?
 - A. That is correct.
 - Q So you will be able to monitor it more closely?
 - A. That is correct.
- Q Please refer to what has been marked as Exhibit
 Three and explain what is shown by this exhibit?
- A Exhibit Three is the production history of the J Lazy J lease and we started out just to plot the oil production, later we started plotting gas and in '74 we started plotting the water. Now, I don't know why they weren't plotting the water all along but on this particular plat that is the way it is.

The gas production, we started plotting it in '73 because that is the time we got our gas connections out there.

- Q Okay, now, did you based on this --
- A. I have projected the decline on this oil production and the first decline curve would be when we were on forty-acre spacing, at that time we had four wells and over a period of three years we see first a hyperbolic decline and towards

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the end of three years there we figured we could just use a straight-line decline to come up with the ultimate reserves. So, we found that on forty-acre spacing the four wells would produce approximately a hundred and eighty-five thousand barrels of oil before they reach an abandonment point of a half a barrel a day. This is an arbitrary point I picked.

- Q A hundred and eighty-five thousand dollars per well?
 - A. No, barrels of oil.
 - Q. For the four wells?
 - A. For the four wells.

MR. STAMETS: Isn't that for two wells?

- A. That was for four wells. No, we proceeded at this time, we proceeded to develop on twenty-acre spacing on eighty acres of this hundred and sixty.
- Q. (Mr. Losee continuing.) Eddie, before you go further let's make sure that we have this. Your hundred and eighty-five thousand is the ultimate primary for all four wells that were in the field then?
 - A. That is correct.
- Q Your figure of ninety-five thousand is really just half of that?
- A Approximately half, it should be a little better than half because the eighty acres we were developing, we did additional drilling in it in the thicker part of that

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isopachous map.

Q. Okay, now, go ahead with your twenty-acre spacing, excuse me.

A. We allotted ninety-five thousand barrels for the two forties that we have done some infield drilling in.

Q Okay.

Q So we drilled four more wells on this eighty and so we have twenty-acre spacing now and the ultimate recovery is two hundred and sixty-nine and seven hundred for all wells which you take away the ninety thousand and leaves a hundred and seventy-nine thousand for the two wells, for two forties, for the eighty acres on which there are four wells now.

Q How long a period did you have it on twenty-acre spacing?

A. We had it not very many months, four or five months.

Now, I locate the twenty-acre spacing, it's very approximate.

Q. Then did you develop it on ten-acre spacing?

A. Then we developed it on ten-acre spacing. We have eight wells on this eighty acres and the estimated ultimate primary for this eighty acres would be three hundred and seventy thousand barrels of oil, which would be the four-sixty for the entire field, minus the ninety thousand.

Q What does this exhibit show?

A. Okay, it appears that we are going to twenty because we almost double our reserves and by going to ten-acre spacing

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almost quadruple our reserves.	The problem	now is if	we g
to eight-acre spacing we have i	ncreased our	reserves,	our
ultimate primary reserves five-	fold.		

- Q And that is what you will be able to determine by drilling this fifth well?
 - A Yes.
 - Q Were Exhibits One through Three prepared by you?
 - A. Yes.

MR. LOSEE: 1 move their introduction.

MR. STAMETS: These exhibits will be admitted.

(THEREUPON, Applicant's Exhibits One through

Three were admitted into evidence.)

MR. LOSEE: I have no further questions at this

time.

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CROSS EXAMINATION

BY MR. STAMETS:

- Q A point of clarification, this well is in the center of the forty and would actually be an orthodox location?
 - A. This is correct.
- Q If it weren't for the fact that there are four other wells developed in too close proximity to the other four?
- A. That is correct. I have some production figures on these four wells in this particular forty. The No. 3 well

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which was unusual when it was drilled has produced some forty thousand barrels of oil to date and is producing three-and-a-half barrels per day right now and if you will extrapolate that down to about a half a barrel a day you will end up with six thousand barrels or seven thousand barrels, so that ninety-five thousand for two wells is reasonable.

The No. 6 Well which has produced on twenty-acre spacing has eighteen thousand cumulative ploduction, is making about twelve barrels of oil per day and the No. 9 is thirteen thousand cumulative with fifteen barrels per day and the No. 11 which is the last one to produce in the tenacre spacing is ten thousand barrels cumulative, it's seventeen barrels of oil per day.

MR. LOSEE: One other thing that rule says is that you can't have more than four wells unless it is in an active waterflood.

- A. I think it said secondary recovery.
- Q. (Mr. Stamets continuing.) On the basis of your testimony then, additional oil will be recovered with the additional well in there which should promote the prevention of waste?
 - A. Right.
- Q And correlative rights are no particular question in this case?
 - A. No.

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Q Yates is the only operator in this pool, is that correct?

A. Well, Mr. Branburg has six wells way over to the west end of the field.

MR. STAMETS: Any other questions of the witness?
He may be excused.

(THEREUPON, the witness was excused.)

MR. STAMETS: Anything further in this case?

The case will be taken under advisement and the hearing is adjourned.

(THEREUPON, the hearing was adjourned.)

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.

I do her that the foregoing is **a** co: wedeedings 613 Lyation Commission Examiner



DIRECTOR JOE D. RAMEY

Other

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE

87501

LAND COMMISSIONER PHIL R. LUCERO

STATE GEOLOGIST EMERY C. ARNOLD

July 27,	1976
Mr. Jerry Losee Attorney at Law Box 239 Artesia, New Mexico 8821	Re: CASE NO. 5695 ORDER NO. R-5242
	Applicant:
	Yates Petroleum Corporation
Dear Sir:	
	copies of the above-referenced entered in the subject case.
Yours very truly, JOE D. RAMEY Director	
	·
JDR/fd	
Copy of order also sent t	co:
Artesia OCC X Aztec OCC	``

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. 5695 Order No. R-5242

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 21, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of July, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox oil well location for its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, NMPM, to test the San Andres formation, Eagle Creek-San Andres Pool, Eddy County, New Mexico.
- (3) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (4) That no offset operator objected to the proposed unorthodox location.
- (5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, and will otherwise prevent waste and protect correlative rights.

-2-Case No. 5695 Order No. R-5242

IT IS THEREFORE ORDERED:

- (1) That an unorthodox oil well location for the San Andres formation is hereby approved for applicant's J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

SEAL

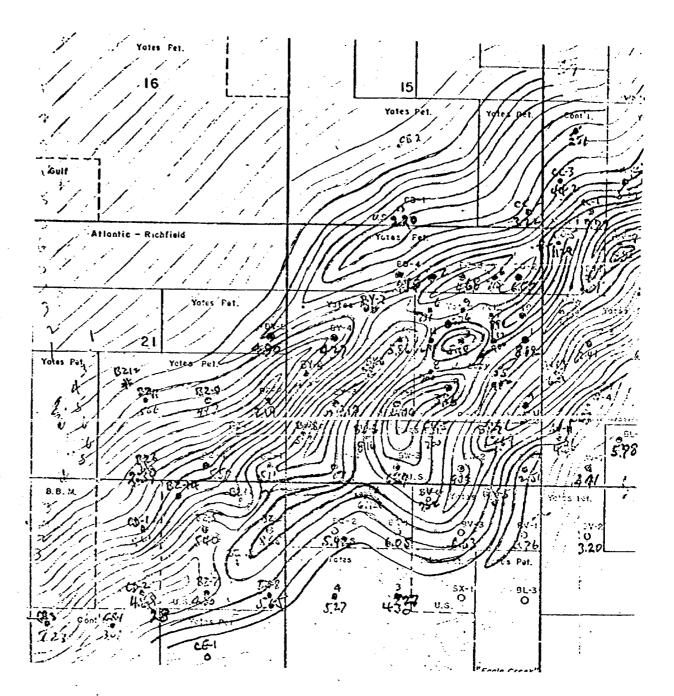
STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman,

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

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BEFORE EXAMINER STAMETS TSO Pach Map OIL CONSERVATION COMMUNICATION Eagle Creek San Andres EXHIBIT NO. 2
CASE NO. 5695
Submitted by
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J Lazy J - Eagle Creek SA Pool 1 H 22-17- 25 Yates Petroleum, Opr.

- CASE 5724: Application of Yates Petroleum Corporation for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 17 South, Range 25 Fast, Eddy County, New Mexico.
- CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico, said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 19 and 28 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35.

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8.

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; State B4108 No. 1 in Section 32; and State B1778 Nos. 1 and 3 and State B4458 No. 2 in Section 36.

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Grayburg D. U. No. 5 in Section 25; Maddren "B" Nos. 6 and 9 in Section 27; Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; and Arnold "D" Nos. 8 and 9 in Section 34.

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills, and West Henshaw Premier Pools.

CASE 5695:

(Continued from June 23, 1976, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.



B. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

May 14, 1976

Mr. Joe Ramey, Secry-Director New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87501

> RE: Secondary Recovery Project Eagle Creek (San Andres) Eddy County, New Mexico

Dear Mr. Ramey:

Yates Petroleum Corporation desires to initiate in their Eagle Creek (San Andres) Pool a secondary recovery project having multiple phases of research and monitoring. Priority concern is density drilling to determine the enhancement of recovery by closer spacing (8-acre spacing), then the conversion of perimeter wells one at a time while monitoring the producer in the center location. The first input well would be set up for water injection at 400 psi wellhead pressure, and subsequent conversions would be for polymer flooding, miscellar flooding and miscible flooding, but not necessarily in this order.

In accord with OCC Rule 701B, attached hereto are lease ownership plat showing the location of all wells within a two-mile radius, logs and diagramatic sketches of the proposed injection wells. All wells are slaughter oil completions.

The proposed pilot area is Unit G of Section 22-173-252, The wells to be converted are the J Lazy J Nos. 3, 6, 9 and 11, and are existing oil wells. A fifth well needs to be

May 14, 1976
Page 2:
Secondary Recovery Project
Fagle Creek (San Andres)

drilled in the center of the 40-acres (located 1980' FEL and 1980' FNL of Section 22), designated as J Lazy J No. 13.

An exception to Rule 104(C)-1 is asked for this fifth well. Thank you.

Yours very truly,

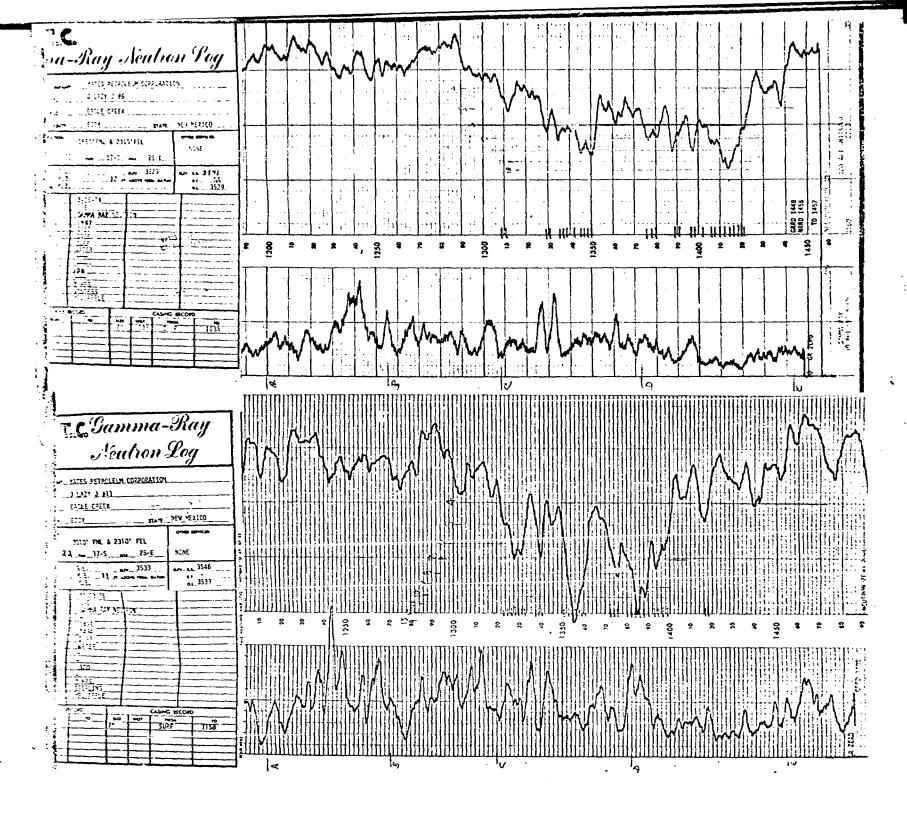
YATES PETROLEUM CORPORATION

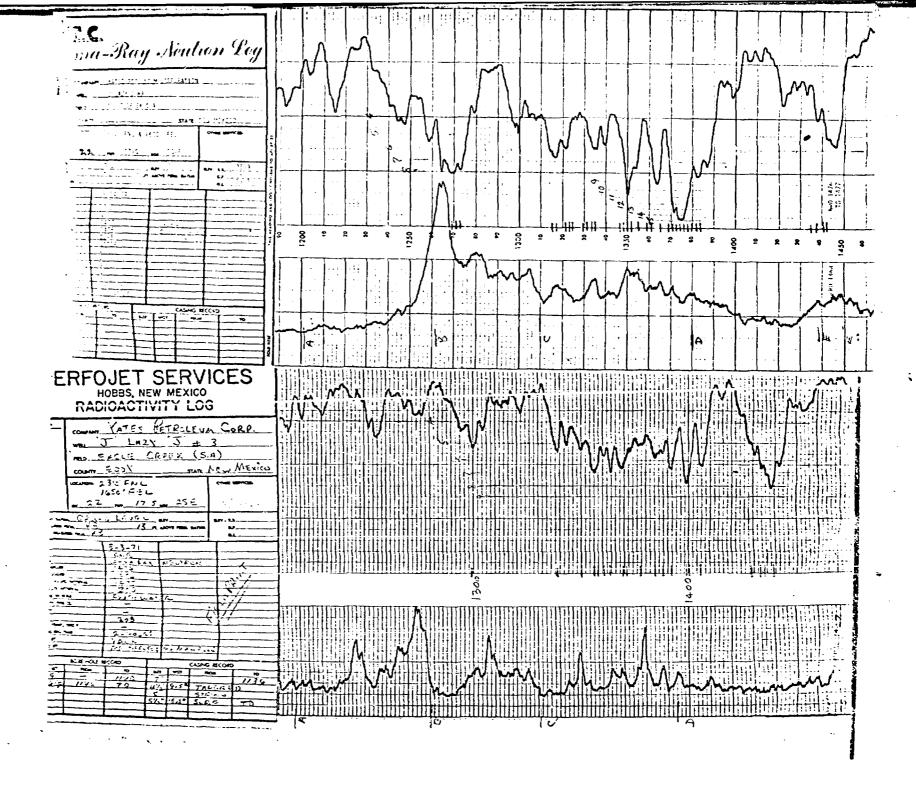
Eddie M. Mahfood

Engineer

EMM/pt

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Diagrammatic Sketch of Proposed Injection Well J Lazy J #11, 2310' FNL, 2310' FEL, Sec. 22-17S-25E, Eddy Co., NM

Elev: 3533' GR = 3546' KB

Spudded: 10-8-75
TD Reached: 10-12-75
Completed: 11-1-75

IPP: 44 BOPD

Top of San Andres @ 741' KB

Base of Artesian Zone @ 1041' KB

Top of Slaughter @ 1214'

Slaughter Pay
Dol w/vuggy & interxln porosity
@ 1270-1420'

 $4\frac{1}{2}$ " 9.5# J-55 casing (565') and 5½" 14# J-55 casing (891') set at 1461' KB, cmtd w/150 sx Class C.

who valve by the same ware

15" hole to 308' KB 10 3/4" 32# K-55 csg set at 306' KE cmtd w/250 sx Class C 4% CaCl

9½" hole to 1160' KB
7" 20# J-55 csg set @ 1159' KB
catd w/350 sx Class C w/6% gilsonite,
0.6% Floseal, 2% CaCl + 150 sx
Class C 2% CaCl.
Proposed: 2 3/8" Duolined Tubing on

Proposed: 2 3/8" Duolined Tubing on Tension Packer set @ about 1280' KB w/inhibited fresh water in annulus.

Perfs: 32 0.45" jets @ 1323, 1325, 1327, 1328½, 1330, 1331, 1333, 1338, 1340, 1341, 1351, 1353, 1354½, 1356, 1357, 1359, 1361, 1372, 1374, 1376, 1380, 1382, 1384, 1386, 1388, 1390, 1393, 1395, 1397, 1399, 1417, 1419, SWF: 2000 g 15% RA, 60000# 20/40 sd in 80000 g treated water.

COTD: 1460' KB D.TD: 1500' KB Diagrammatic Sketch of Proposed Injection Well J Lazy J No. 6, 1650' FNL, 2310' FEL, Sec. 22-175-25E, Eddy Co, NM

Elev: 3529' GR = 3542' KB

Spudded: 3-21-74
TD Reached: 3-25-74
Completed: 4-1-74

IPP: 39 BOPD

Top of San Andres @ 722' KB

Base of Artesian Zone @1040' KB

Top of Slaughter @ 1200' KB.

Slaughter Pay

WING VAIVE W/PRESSURE GUAGE

14 3/4" hole to 293' KB, 10 2/3" 32.75# J-55 casing set @ 293' KB, cmtd w/175 sx Class C

all csg. cmi'd to surface.

4% CaCl.

9 7/8" hole to 1140' KB,
7" 23-26# J-55 casing set @1137' KB,
cmtd w/300 sx Class C 2/6% gilsonite,
½% Floseal, 2% CaCl + 100 sx Class C
2% CaCl.

Proposed: 2 3/8" duolined tubing set on tension packer @ about 1277' KB w/ inhibited fresh water in annulus.

Perfs: 28 0.51" jets at 1309, 1311, 1329½, 1330½, 1335, 1337, 1339, 1342, 1344½, 1346, 1348, 1350, 1375½, 1378, 1380, 1389, 1391, 1396½, 1398, 1402, 1406, 1407½, 1410, 1412, 1414, 1416, 1418½, 1421.

SWF: 3000 g 15% RA, 65000# 20/40 sd in 80000 g treated water and 40 ball sealers.

 $4\frac{1}{2}$ " 9.5# J-55 casing (407') and $5\frac{1}{2}$ " 15.5# J-55 casing (1037') set @ 1456' KB cmtd w/125 sx Class C.

COTD; 1444 KB D.TD: 1456 KB Diamrammatic Sketch of Proposed Injection Well J Lazy J No. 3, 2310' FNL, 1650' FEL, Sec. 22-17s-25E, Eddy Co, NM

Elev: 3562' GR = 3575' KB

Spudded: 4-23-71 TD Reached: 5-2-71 Completed: 5-9-71 IPP: 42 BOPD

Top of San Andres @ 719' KB

Base of Artesian Zone @ 1036'KB

Top of Slaughter 1218' KB

Slaughter Pay

Dol w/vuggy & intxln porosity 1250-1445'

13 3/8" hole to 133' KB 10 3/4" 32.75# casing set @133' KB, cmtd w/50 sx Class C 4% CaCl and

all esq. contil to surface

l yd ready mix.

9 7/8" hole to 1136' KB,
7" 23# N-80 casing set @ 1133' KB,
cmtd w/300 sx Class C, w/2% gel,
6% gilsonite, 0.5% Floseal, 2% CaCl +
100 sx Class C w/2% CaCl.
Proposed: 2 3/8" Duolined tubing set on
Tension pkr @ about 1277' w/inhibited
fresh water in annulus.

Perfs: 20 0.375" jets @ 1299½, 1339, 1350, 1355½, 1357, 1360½, 1363, 1369, 1371, 1377, 1384, 1387½, 1391½, 1399, 1400½, 1405½, 1428½, 1432½, 1434½, 1439. SWF: 3500 g 15% RA, 40000# 20/40 sd in 80000 g treated water.

COTD: 1470' KB D.TD: 1476' KB $4\frac{1}{2}$ " 9.5# J-55 casing (503') and $5\frac{1}{2}$ " 15.5# J-55 casing (955') set at 1471' KB, cmtd w/125 sx Class C cmt.

Diagrammatic Sketch of Proposed Injection Well J Lazy J No. 9, 1650' FNL, 1650' FEL, Sec. 22-178-25e, Eddy Co, NM

Elev: 3530' GR = 3543' KB

Spudded: 8-7-74
TD Reached: 8-13-74
Completed: 8-24-74
IPP: 35 BOPD

10 3/4" 32# casing set @ 295' KB, cmtd w/175 sx Class C 4% CaCl,

14 3/4" hole to 295' KB,

all csg. cml'd to surface

IN WING VALVE W/PRESSURE GUAGE

Top of San Andres @ 723'.

Base of Artesian Zone @ 1048'.

Top of Slaughter @ 1201' KB. Slaughter Pay

Dol w/vuggy and interxln porosity 1240-1444'

Cored 1315-1474'

9½" hole to 1150' KB,
7" 23# J-55 casing (1139') set @
1150' KB, cmtd w/250 sx Class C
w/6% gilsonite, 0.6% Floseal, 2%
CaCl and 200 sx Class C w/2% CaCl.
Proposed: 2 3/8" Duolined Tubing
set on packer at about 1275' KB,
w/inhibited fresh water in annulus.

Perfs: 35 0.43" jets @ 1269, 1271, 1273, 1315, 1317, 1321, 1323, 1324½, 1329, 1331, 1333½, 1335, 1340, 1346, 1348, 1350, 1352, 1355½, 1359½, 1361½, 1365, 1369, 1370½, 1372, 1373½, 1374½, 1376, 1378, 1380, 1382, 1384, 1435½, 1438, 1440½, 1442.

SWF: 4000 g 15% RA, 90000# 20/40 sd in 80000 g treated water.

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COTD: 1470' KB D.TD: 1477' KB 4½" 10.5# J-55 (693') and "5½" 15.5# K-55 (778') set at 1477' KB cmtd w/125 sx Class C.

LAW OFFICES

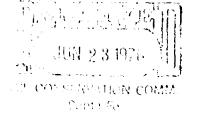
LOSEE & CARSON, P.A.

A.J.LOSEE
JOEL M.CARSON
CHAD DICKERSON

300 AMERICAN HOME BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 86210

AREA CODE 505 746-3508

22 June 1976



Mr. Richard L. Stamets, Examiner New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Yates Petroleum Corporation Applications Case Nos. 5695 and 5696

Dear Mr. Stamets:

This will confirm our telephone conversation of this date in which the Commission was asked to continue Case No 5695 from the June 23 to the July 21, 1976, examiner hearing, and to dismiss Case No. 5696.

Very truly yours,

LOSEE & CARSON, P.A.

A. J. Josee

AJL:jw

cc: Mr. Eddie Mahfood

Dockets Nos. 19-76 and 20-76 are tentatively set for hearing on July 7 and July 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER BEARING - WELLESDAY - JUNE 23, 1976

9 A.M. - OIL CONCERVATION COMPOSION CONFERENCE HOCM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Starets, Examiner, or Daniel S. Mutter, Alternate Examiner:

CASE 5689: (Continued from June 11, 1976 Examiner Hearing)

Application of Palport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Pange 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

CASE 4843: (Reopened) (Continued from June 9, 1976 Examiner Hearing)

In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Scutheast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.

CASE 5695: Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

CASE 5696: Application of Yates Petroleum Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Eagle Creek-San Andres Pool by the injection of water into the San Andres formation through its J Lary J Wells Nos. 3, 6, 9, and 11, all located in Unit G of Section 22, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 5697: Application of Elk Cil Company for a unit agreement, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks approval for the Northeast Remnite Unit Area comprising 3020 acres, more or less, of State land in Township 16 South, Range 34 East, Lea County, New Mexico.

CASE 5693: Application of El Paso Natural Gas Company for downhole commingle Routh Blanco-Fictured Cliffs and Blanco Mesaverde gas production in the wellbore of its San Juan 22-7 Unit Well No. 82 located in Unit A of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5699: Application of Dalport Cil Corporation for an exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earther pits, produced solt water from its Jones-Federal Well No. 3 located in Unit K of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 24. Township 20 South, Range 27 Hast, Eddy County, New Mexico, to be dedicated to a proposed gas well to be drilled at an orthodox location in the S/2 of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5701: Application of Araho, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres, Abo and Paddock formations through the perforated interval from approximately 5045 fluit to 6480 feet and the open-hole interval from approximately 8528 feet to 6900 feet in its State COUNTY Well No. 2, located in Unit F of Section 2, Township 17 South, Range 36 Fast, Lovington Field, Lea County, New Mexico.

CASE 5702: Application of Cities Service fil Company for downhole commingling. Lea County, New Mexico. Applicant, in the slove-styled cause, seeks authority to commingle Tubb Gas P.ol and Drinkard fil Fool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township II South, Range 37 Fast, Lea County, New Yexico.

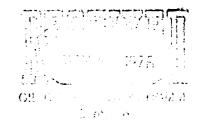
Care 5695



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

May 14, 1976

Mr. Joe Ramey, Secry-Director New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87501



RE: Secondary Recovery Project
Eagle Creek (San Andres)
Eddy County, New Mexico

Dear Mr. Ramey:

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In accord with OCC Rule 701B, attached hereto are lease ownership plat showing the location of all wells within a two-mile radius, logs and diagramatic sketches of the proposed injection wells. All wells are slaughter oil completions.

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Magle Creek (Jan Andres)

drilled in the center of the 40-acres (located 1980' FEL and 1980' FNL of Section 22), designated as J Lazy J No. 13.

An exception to Rule 104(C)-1 is asked for this fifth well. Thank you.

Yours very truly,

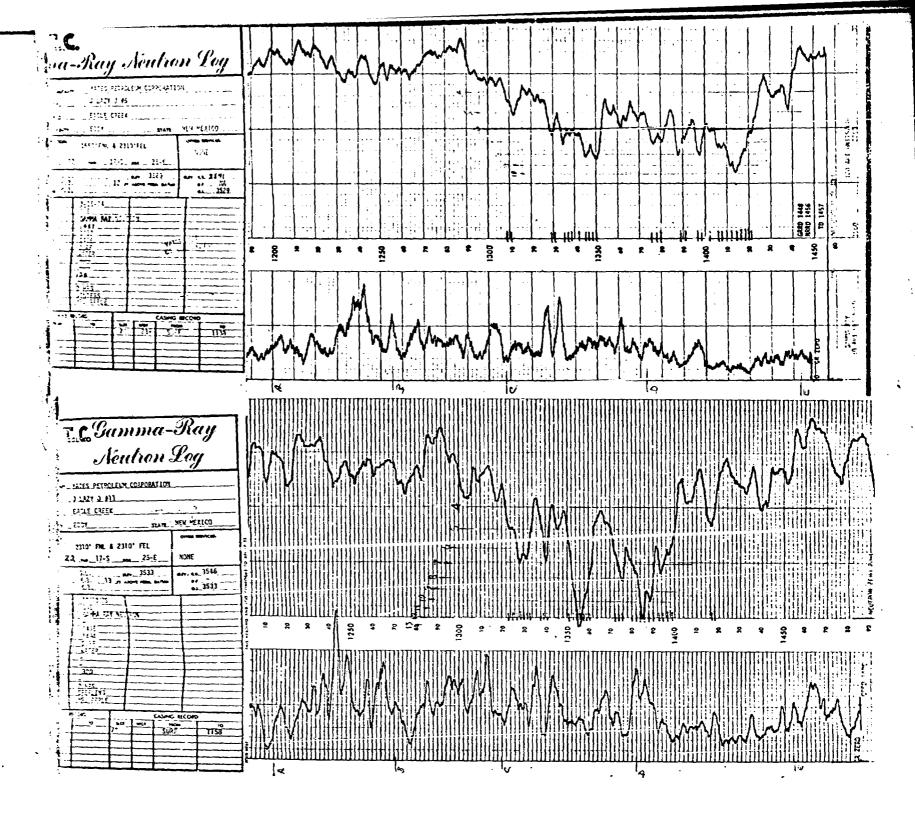
YATES PETROLEUM CORPORATION

Eddie M. Mahfood

Engineer

EMM/pt

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Diagrammatic Sketch of Proposed Injection Well J Lazy J #11, 2310' FNL, 2310' FEL, Sec. 22-175-25E, Eddy Co., NM

FYEST GIMBE

Elev: 3533' GR = 3546' KB

Spudded: 10-8-75
TD Reached: 10-12-75
Completed: 11-1-75

IPP: 44 BOPD

Top of San Andres @ 741' KB

Base of Artesian Zone @ 1041' KB

Top of Slaughter @ 1214'

Slaughter Pay
Dol w/vuggy & interxln porosity
@ 1270-1420'

15" hole to 308' KB 10 3/4" 32# K-35 csg set at 306' KB

cmtd w/250 sx Class C 4% CaCl

IN WING VALVE W/PRESSURE GNAGE

9½" hole to 1160' KB 7" 20# J-55 csg set @ 1159' KB cmtd w/350 sx Class C w/6% gilsonite, 0.6% Floseal, 2% CaCl + 150 sx Class C 2% CaCl.

Proposed: 2 3/8" Duolined Tubing on Tension Packer set @ about 1280' KB w/inhibited fresh water in annulus.

Perfs: 32 0.45" jets @ 1323, 1325, 1327, 1328½, 1330, 1331, 1333, 1338, 1340, 1341, 1351, 1353, 1354½, 1356, 1357, 1359, 1361, 1372, 1374, 1376, 1380, 1382, 1384, 1386, 1388, 1390, 1393, 1395, 1397, 1399, 1417, 1419, SWF: 2000 g 15% RA, 60000# 20/40 sd in 80000 g treated water.

 $4\frac{1}{2}$ " 9.5# J-55 casing (565') and 5½" 14# J-55 casing (891') set at 1461' KB, cmtd w/150 sx Class C.

COTD: 1460' KB D.TD: 1500' KB

Diagrammatic Sketch of Proposed Injection Well J Lazy J No. 6, 1650' FNL, 2310' FEL, Sec. 22-17S-25E, Eddy Co, NM

Marie - Janear

Elev: 3529' GR = 3542' KB

Spudded: 3-21-74 TD Reached: 3-25-74 Completed: 4-1-74 IPP: 39 BCPD

14 3/4" hole to 293' KB, 10 2/3" 32.75# J-55 casing set @ 293' KB, cmtd w/175 sx Class C 4% CaCl.

Top of San Andres @ 722' KB

Base of Artesian Zone @1040' KB

9 7/8" hole to 1140' KB,
7" 23-26# J-55 casing set @1137' KB,
cmtd w/300 sx Class C 2/6% gilsonite,
½% Floseal, 2% CaCl + 100 sx Class C
2% CaCl.

Proposed: 2 3/8" duolined tubing set on tension packer @ about 1277' KB w/ inhibited fresh water in annulus.

Top of Slaughter @ 1200' KB.

Slaughter Pay

Perfs: 28 0.51" jets at 1309, 1311, 1329½, 1330½, 1335, 1337, 1339, 1342, 1344½, 1346, 1348, 1350, 1375½, 1378, 1380, 1389, 1391, 1396½, 1398, 1402, 1406, 1407½, 1410, 1412, 1414, 1416, 1418½, 1421.

SWF: 3000 g 15% RA, 65000 # 20/40 sd in 80000 g treated water and 40 ball sealers.

 $4\frac{1}{2}$ " 9.5# J-55 casing (407') and 5½" 15.5# J-55 casing (1037') set @ 1456' KB cmtd w/125 sx Class C.

COTD; 1444' KB D.TD: 1456' KB

Diamrammatic Sketch of Proposed Injection Well J Lazy J No. 3, 2310' FNL, 1650' FEL, Sec. 22-175-25E, Eddy Co, NM

A WING VALVE W/PRESSURE GUAGE

Elev: 3562' GR = 3575' KB

Spudded: 4-23-71 TD Reached: 5-2-71 Completed: 5-9-71

IPP: 42 BOFD

Top of San Andres @ 719' KB

Base of Artesian Zone @ 1036'KB

Top of Slaughter 1218' KB

Slaughter Pay

Dol w/vuggy & intxln porosity 1250-1445'

all csg. col'd to surface

13 3/8" hole to 133' KB 10 3/4" 32.75# casing set @133' KB, cmtd w/50 sx Class C 4% CaCl and 1 yd ready mix.

9 7/8" hole to 1136' KB, 7" 23# N-80 casing set @ 1133' KB, cmtd w/300 sx Class C, w/2% gel, 6% gilsonite, 0.5% Floseal, 2% CaCl + 100 sx Class C w/2% CaCl. Proposed: 2 3/8" Duolined tubing set on Tension pkr @ about 1277' w/inhibited fresh water in annulus.

Perfs: 20 0.375" jets @ 1299½, 1339, 1350, 1355½, 1357, 1360½, 1363, 1369, 1371, 1377, 1384, 13875, 13915, 1399, 14005, 14055, 14285, 14325, 14345, 1439. SWF: 3500 g 15% RA, 40000# 20/40 sd in80000 g treated water.

COTD: 1470' KB D.TD: 1476' KB

 $4\frac{1}{2}$ " 9.5# J-55 casing (503') and $5\frac{1}{2}$ " 15.5# J-55 casing (955') set at 1471' KB, cmtd w/125 sx Class C cmt. Diagrammatic Sketch of Proposed Injection Well J Lazy J No. 9, 1650' FNL, 1650' FEL, Sec. 22-17S-25e, Eddy Co, NM

Elev: 3530' GR = 3543' KB

Spudded: 8-7-74
TD Reached: 8-13-74
Completed: 8-24-74

IPP: 35 BOPD

Top of San Andres @ 723'.

Base of Artesian Zone @ 1048'.

Top_of_Slaughter @ 1201' KB. . . Slaughter Pay

Dol w/vuggy and interxln porosity 1240-1444'

Cored 1315-1474'

WING VALVE W/PRESSURE GUNGE

14 3/4" hole to 295' KB,
10 3/4" 32# casing set @ 295' KB,
cmtd w/175 sx Class C 4% CaCl,

all csg. cml'd to surface

9½" hole to 1150' KB,
7" 23# J-55 casing (1139') set @
1150' KB, cmtd w/250 sx Class C
w/6% gilsonite, 0.6% Floseal, 2%
CaCl and 200 sx Class C w/2% CaCl.
Proposed: 2 3/8" Duolined Tubing
set on packer at about 1275' KB,
w/inhibited fresh water in annulus.

Perfs: 35 0.43" jets @ 1269, 1271, 1273, 1315, 1317, 1321, 1323, 1324½, 1329, 1331, 1333½, 1335, 1340, 1346, 1348, 1350, 1352, 1355½, 1359½, 1361½, 1365, 1369, 1370½, 1372, 1373½, 1374½, 1376, 1378, 1380, 1382, 1384, 1435½, 1438, 1440½, 1442.

SWF: 4000 g 15% RA, 90000# 20/40 sd in 80000 g treated water.

4½" 10.5# J-55 (693') and 5½" 15.5# K-55 (778') set at 1477' KB cmtd w/125 sx Class C.

COTD: 1470' KB D.TD: 1477' KB 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	5695
Order No.	R- 5242

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

Du 1

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on fune 23, 19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of July , 1976 , the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox oil well location for its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, NMPM, to test the San Andres formation, Eagle Creek-San Andres Pool Eddy County, New Mexico.

Refl Se -2-Case No. 5695 Order No. R-

- (3) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (4) That no offset operator objected to the proposed unorthodox location.
- (5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will provent the 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.

IT_IS THEREFORE ORDERED:

- (1) That an unorthodox oil well location for the San Andres formation is hereby approved for applicant's J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

Page	1	

BEFORE THE NEW NEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico June 23, 1976

EXAMINER HEARING

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)	
IN THE MATTER OF:)	
Application of Yates Petroleum Corpora-	í	CASE
tion for an unorthodox oil well)	5695
location, Eddy County, New Mexico.)	
)	
	-	

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil William F. Carr, Esq.
Conservation Commission: Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (5/5) 982-9212

eid morrish reporting service
General Court Reporting Service
Application 122 Senta Fe New Mexico 87501

MR. STAMETS: The hearing will please come to order. We will call first Case 5695.

MR. CARR: Case 5695, application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico.

Mr. Examiner, we have received a request from the applicant that this case be continued to the July 21 Examiner Hearing.

MR. STAMETS: Case 5695 will be continued.

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sid morris! reporting service

General Court Reporting Service

Ganta, No. 122, Santa Fe, New Mexico 87501

Phore (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

a complete race of the proceedings in the Exercise hospital of Case No. 57.95.

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New Mexico Oil Conservation Commission