

CASE 6086: YATES PETROLEUM CORPORATION  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

*ation*

Case Number

6086

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 16, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora- )  
tion for compulsory pooling, Eddy County )  
New Mexico. )

CASE  
6086

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: A. J. Losee, Esq.  
LOSEE & CARSON  
Attorneys at Law  
300 American Home Building  
Artesia, New Mexico

sid morrish reporting service

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

1 MR. STAMETS: Call next case, Case 6086.

2 MS. TESCHENDORF: Case 6086, application of Yates  
3 Petroleum Corporation for compulsory pooling, Eddy County,  
4 New Mexico.

5 MR. LOSEE: A. J. Losee, Losee and Carson, appearing  
6 on behalf of the applicant.

7 At this time the applicant moves to dismiss Case  
8 6086.

9 MR. STAMETS: This case will be dismissed.

10 (THEREUPON, the case was concluded.)  
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**sid morrieh reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (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*  
Sidney F. Morrish, C.S.R.

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

do hereby certify that the foregoing is  
a true and correct copy of the proceedings in  
the hearing held on the 11th day of 1977.  
heard by me on 11-16-77  
*Richard L. [Signature]*, Examiner  
New Mexico Oil Conservation Commission



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
November 29, 1977



STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Joel M. Carson  
Losee & Carson  
Attorneys at Law  
P. O. Drawer 239  
Artesia, New Mexico 88210

Re: CASE NO. 6086  
ORDER NO. R-5586

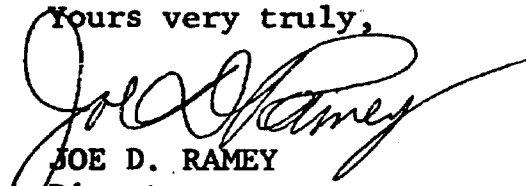
Applicant:

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 X  
Artesia OCC X  
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. 6086  
Order No. R-5586

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 16, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of November, 1977, 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. 6086 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY J. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

jr/

CASE 6061: (Continued from October 12, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Stinking Draw Unit Area comprising 2,881 acres, more or less, of Federal and State lands in Township 21 South, Range 22 East, Eddy County, New Mexico.

CASE 5983: (Continued from October 12, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 6072: (Continued from October 26, 1977, Examiner Hearing)

Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Canyon production for its Travis Deep Unit Well No. 2, located in Unit G of Section 13, Township 18 South, Range 28 East, Eddy County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 6086: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 21, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost 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 6087: 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 Ralph Nix "IT" Well No. 1 to be located 660 feet from the South line and 990 feet from the East line of Section 13, Township 20 South, Range 24 East, Eddy County, New Mexico, the S/2 of said Section 13 to be dedicated to the well.

CASE 6088: Application of Yates Petroleum Corporation for a dual completion, downhole commingling, and salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Eagle Creek Atoka-Morrow, Eagle Creek-Strawn and Eagle Creek Permian-Penn production in the wellbore of its Mitchell "IN" Well No. 2 located in Unit I of Section 23, Township 17 South, Range 25 East, Eddy County, New Mexico, and to dually complete said well in such a manner as to permit disposal of produced salt water into the Devonian formation thru tubing and production of the aforesaid commingled zones thru the casing-tubing annulus.

CASE 5981: (Continued from October 12, 1977, Examiner Hearing)

Application of W. A. Moncrief, Jr., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Upper-Pennsylvanian production for his State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 6076: (Continued from October 26, 1977, Examiner Hearing)

Application of E. L. Latham, Jr., Roy G. Barton, Jr., and R. L. Foree for a gas well curtailment and gas pool prorationing, Chaves County, New Mexico. Applicants, in the above-styled cause, seek an order temporarily shutting in, or limiting production from the La Rue and Mancy Nola Well No. 1, located in Unit O of Section 8, Township 14 South, Range 28 East, Sams Ranch Grayburg Gas Pool, Chaves County, New Mexico. Applicants further request that the Commission institute gas prorationing in said pool retroactively to date of first production and direct the gas purchaser(s) in said pool to take ratably from all wells in said pool.

Case 6086

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

LAW OFFICES  
**LOSEE & CARSON, P.A.**  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

27 1977

25 October 1977

Mr. Joe D. Ramey, Director  
New Mexico Oil Conservation Commission  
P. O. Box 2086  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies each of three Applications of Yates Petroleum Corporation, one for an unorthodox gas well location for its Ralph Nix "IT" No. 1 Well, one for compulsory pooling for its Siegenthaler "IS" Com. No. 1 Well, and one for dual completion and salt water disposal for its Mitchell "IN" No. 2 Well, all in Eddy County, New Mexico.

We ask that these cases be set for hearing before an examiner and that you furnish us with a docket of the hearings.

Yours truly,

LOSEE & CARSON, P.A.

  
Joel M. Carson

JMC:bjm  
Enclosures

cc w/enclosures: Mr. Jack W. McCaw

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR COM-  
PULSORY POOLING, EDDY COUNTY, NEW  
MEXICO

CASE NO. 6086

APPLICATION

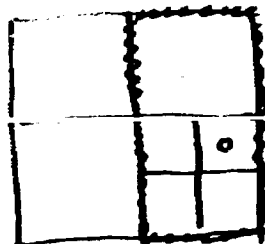
COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant has the right to drill and complete its Siegenthaler "IS" Com. No. 1 Well in the Morrow formation as a gas well, located at a point that is 660 feet from the East line and 1,980 feet from the South line of Section 21, Township 17 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant has dedicated the E/2 of said Section 21 to its Siegenthaler "IS" Com. No. 1 Well, and there are interest owners in the production unit who have not agreed to pool their interests.

3. Applicant should be designated the operator of the well and the production unit.

4. To avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said unit, all mineral interests, whatever they may be, from the Wolfcamp through the Morrow formations underlying the E/2 of said Section 21, should be pooled.



5. Any non-consenting working interest owner that does not pay his share of the estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof, as a reasonable charge for the risk involved in the drilling of the well.

6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing the well attributable to each non-consenting working interest owner.

WHEREFORE, applicant prays that:

A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing the Commission enter its order pooling all mineral interests, whatever they may be, from the Wolfcamp through the Morrow formations underlying the E/2 of said Section 21, Township 17 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's Siegenthaler "IS" Com. No. 1 Well.

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

YATES PETROLEUM CORPORATION

By: 

Joel M. Carson for

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

Attorneys for Applicant

*n*  
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. 6086

Order No. R- 5586

*all*  
APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

*JLR*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 16, 19 77,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of November, 19 77, 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. 6086 is hereby dismissed.

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