

CASE 6108: YATES PETROLEUM CORPORATION
FOR AN UNOBTAINED GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case Number

6108

Application

Transcripts.

Small Exhibits

ETR

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
14 December 1977

EXAMINER HEARING

IN THE MATTER OF:

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

CASE
6108

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Corporation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico 87501

For Yates Petroleum
Corporation:

Joel Carson, Esq.
LOSEE & CARSON, P.A.
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

I N D E X

RAY BECK

Direct Examination by Mr. Carson 3

E X H I B I T S

Applicant Exhibit One, Land Plat 6

Applicant Exhibit Two, Structural Map 6

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MR. STAMETS: We'll call now Case 6108.

MS. TESCHENDORF: Case 6108. Application of
 Yates Petroleum Corporation for an unorthodox gas well
 location, Eddy County, New Mexico.

MR. CARSON: Mr. Examiner, I'm Joel Carson,
 Losee and Carson, P. A., Artesia, New Mexico, representing
 the Applicant, and I will have one witness in this cause.
 I'd like to have him sworn.

(Witness sworn.)

RAY BECK

being called as a witness on behalf of Yates Petroleum
 Corporation, and having been duly sworn upon his oath,
 testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARSON:

- Q Would you state your name, please?
- A Ray Beck.
- Q Mr. Beck, by whom are you employed?
- A Yates Petroleum Corporation.
- Q And in what capacity?
- A Geologist.
- Q Mr. Beck, have you previously testified before

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1 the Commission?

2 A Yes, I have.

3 Q And have your qualifications been acceptable?

4 A Yes.

5 Q All right.

6 MR. STAMETS: The witness is considered qual-
7 ified.

8 Q Mr. Beck, will you state the purpose of this
9 application, please?

10 A Case 6108, Yates Petroleum Corporation re-
11 quests approval of the unorthodox gas well location of its
12 No. 1 Bradshaw IY to be drilled 660 feet from the south
13 and west lines of Section 35, Township 17 South, Range 26
14 East, in the Kennedy Farms Field, Eddy County, and the
15 south half of Section 35 will be dedicated to the well.

16 Q Mr. Beck, I'll refer you to what's marked as
17 Applicant's Exhibit Number One and ask if you -- if that
18 was prepared by you or under your supervision?

19 A I prepared it.

20 Q Would you tell the Examiner what that exhibit
21 purports to show?

22 A Exhibit Number One is a land plat showing
23 the proposed location and its relationship to the sur-
24 rounding leasehold situation. Yellow denotes the land
25 in which Yates has one hundred percent or some lesser per-

1 cent interest in the lease; pink indicates land in which
2 Yates owns the minerals.

3 By drilling the Bradshaw IV, Yates will earn
4 fifty percent of the interest in leases in the south half
5 of Section 35 after pay out.

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7 marked as Applicant's Exhibit Number Two and ask you to
8 describe that exhibit.

9 A Exhibit Number Two is a combined Isolith and
10 structural map showing in a solid contour the varying
11 footage of Clean Morrow Sand and in dotted contour, the
12 structural attitude on the top of the Morrow Clastic.

13 Also shown in this exhibit is a typical com-
14 pensative neutron formation density log from Kennedy Farms
15 Morrow Sand present in the Yates Hnulik Well , and the
16 counted footage in this well is twenty feet.

17 On the map the red colored well spots are
18 Morrow gas producers.

19 One seeming anomalous well at the plugged and
20 abandoned Hanson Clyde Guy Well in the northeast southeast
21 of Section 34, 17 South, 26 East. This well blew out in
22 the Morrow and was an indicated producer in which five and
23 one-half inch casing was run; however, the casing collapsed
24 and after two whipstock operations the well was abandoned.

25 The point of this exhibit is that the data

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1 contoured to indicate on the map that the proposed 660
2 location would encounter the greatest number of feet of
3 Clean Morrow Sand in the south half of Section 35.

4 Q Mr. Beck, was this Exhibit Number Two prepared
5 by you or under your supervision?

6 A I prepared it.

7 Q Mr. Beck, is it your professional opinion that
8 the granting of this application would afford the applicant
9 an opportunity to produce its just and equitable share of
10 gas?

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12 Q And that would prevent an economic loss
13 caused by the drilling of unnecessary wells, avoid the
14 element of risk arising from the drilling of an excessive
15 number of wells and would otherwise prevent waste and pro-
16 tect correlative rights?

17 A Yes, I do.

18 MR. CARSON: We move the introduction of
19 these exhibits, Mr. Examiner.

20 MR. STAMETS: These exhibits will be admitted.

21 MR. CARSON: We have no further questions of
22 this witness.

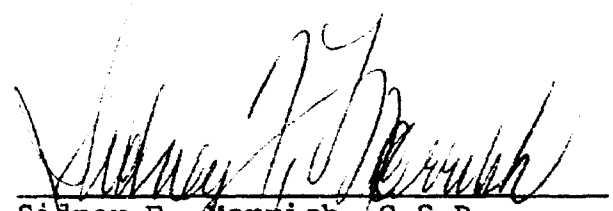
23 MR. STAMETS: Any questions of this witness?
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25 the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

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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.

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General Court Reporting Service
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Phone (505) 962-9212

the foregoing is
a complete transcript in
the New Mexico Oil Conservation Commission
New Mexico Oil Conservation Commission
Examiner
12-14-66
6108
1977

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
14 December 1977

EXAMINER HEARING

IN THE MATTER OF:

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location, Eddy County, New Mexico.

CASE
6108

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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For Yates Petroleum Corporation:	Joel Carson, Esq. LOSEE & CARSON, P.A. Artesia, New Mexico

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RAY BECK

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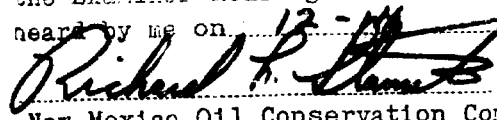
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(Hearing concluded.)

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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6108
heard by me on 12-14-1977
, Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service

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(10)

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 6108

Order No. R- 5614

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 December 14, 19 77,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of December, 19 77, 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 gas well location 660 feet from the South
line and 660 feet from the West line of Section 35, Township
17 South, Range 26 East, NMPM, to test ~~the~~
Wolfcamp and Pennsylvanian formation, Kennedy Farms Field ~~Block~~
Eddy County, New Mexico.

(3) That the S/2 of said Section 35 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent 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 gas well location for *the W. Ifcamp and Ransplanian*
the Xte. Petroleum Corporation Bradshaw IV Gas Well No 1
formation is hereby approved for ~~A well~~ to be drilled at a point 660
feet from the South line and 660 feet from the West
line of Section 35, Township 17 South, Range 26 East,
NMPM, Kennedy Farms Field ~~2651~~, Eddy County,
New Mexico.

(2) That the S/2 of said Section 35 shall be dedicated to the above-described well.

(3) 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.

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. 6108
Order No. R-5614

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 December 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of January, 1978, 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 gas well location 660 feet from the South line and 660 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, to test Wolfcamp and Pennsylvanian formations, Kennedy Farms Field, Eddy County, New Mexico.

(3) That the S/2 of said Section 35 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent 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.

-2-

Case No. 6108
Order No. R-5614

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for the Yates Petroleum Corporation Bradshaw "IY" Com Well No. 1 to be drilled at a point 660 feet from the South line and 660 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field, Eddy County, New Mexico.

(2) That the S/2 of said Section 35 shall be dedicated to the above-described well.

(3) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

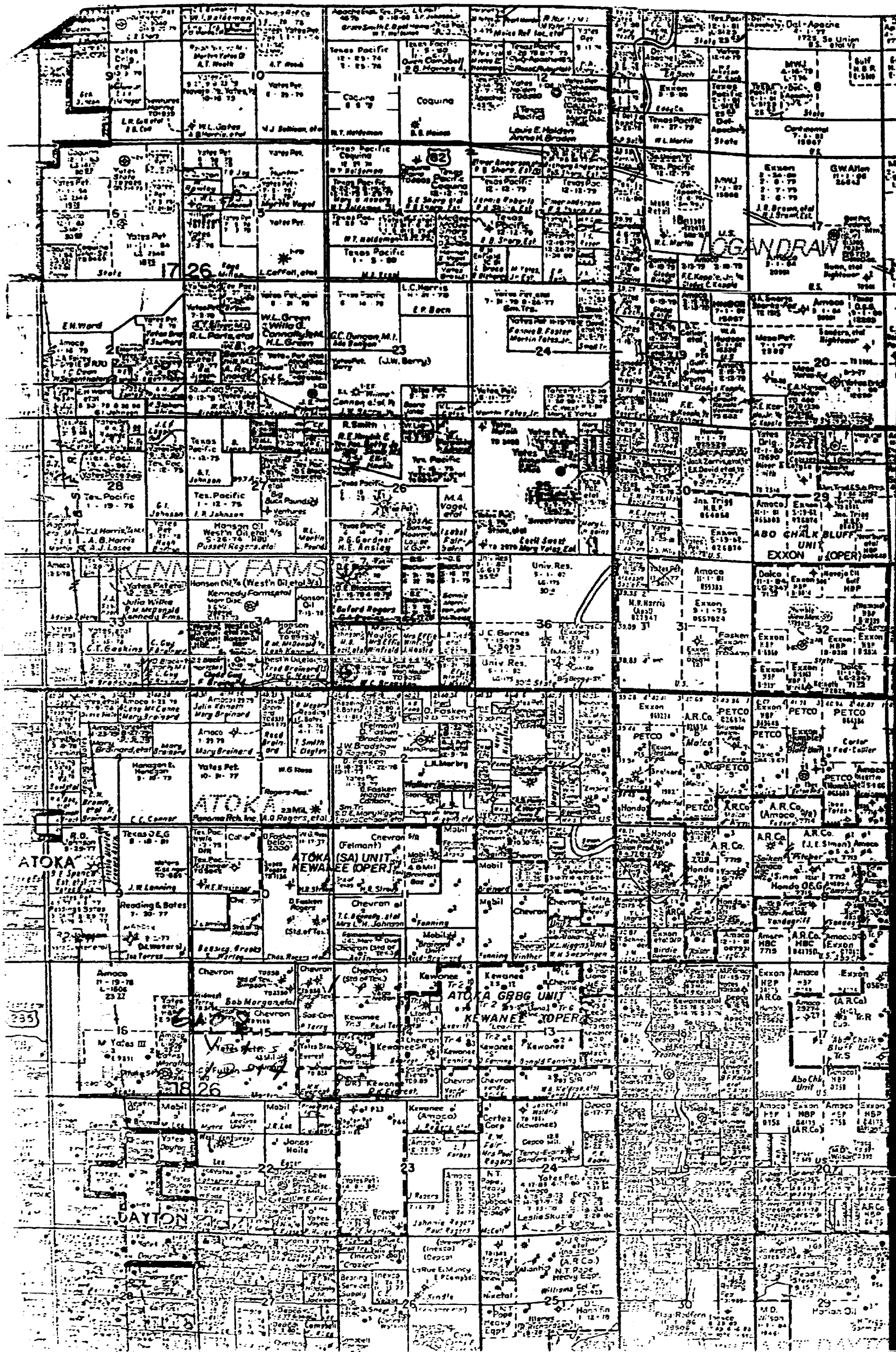
PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jx/



Dockets Nos. 1-78 and 2-78 are tentatively set for hearing on January 4 and 18, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 14, 1977

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for January, 1978, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6101:** Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Nopal Draw Unit Area comprising 1920 acres, more or less, of Federal and Fee lands in Township 21 South, Range 25 East, Eddy County, New Mexico.
- CASE 6102:** Application of Transocean Oil, Inc., for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Quemado Unit Area comprising 33,844 acres, more or less, of Federal, State, and Fee lands in Township 2 North, Ranges 15, 16, and 17 West, Catron County, New Mexico.
- CASE 6103:** Application of Getty Oil Company for expansion of its Fren Seven-Rivers Waterflood Project and 28 dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Fren Seven-Rivers Waterflood Project by injection of water into the Seven-Rivers formation thru 32 wells in its Getty Unit Area, Township 17 South, Range 31 East, Eddy County, New Mexico, 28 of which wells would be dual completions in the Fren Seven-Rivers Pool and the Grayburg-Jackson Pool.
- CASE 6104:** Application of Betrice Beddingfield for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation thru the open-hole interval from 487 feet to 517 feet in her Sunray State Well No. 1 and from 500 feet to 552 feet in her Hastie Well No. 8, located in Unit E of Section 30 and Unit F of Section 18, respectively, both in Township 17 South, Range 28 East, Empire Yates-Seven Rivers Pool, Eddy County, New Mexico.
- CASE 6105:** Application of Mewbourne Oil Company for creation of an associated gas pool and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Querecho Plains-Queen Oil Pool as an associated pool and approval of a 120-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 22 and the NW/4 SW/4 of Section 23, both in Township 18 South, Range 32 East, Lea County, New Mexico, to be dedicated to its Federal "F" Well No. 1 located in Unit L of said Section 23.
- CASE 6106:** Application of Mesa Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 31, Township 15 South, Range 36 East, Lea 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 6108:** 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 Bradshaw IY Com Well No. 1 to be located 660 feet from the South and West lines of Section 35, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the S/2 of said Section 35 to be dedicated to the well.
- CASE 6109:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Burton Flat-Morrow and North Burton Flat-Wolfcamp production in the wellbore of its Stonewall EP State Well No. 1 located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico.
- CASE 6110:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Kennedy Farms-Morrow and Kennedy Farms-Atoka production in the wellbore of its Caffall FD Com Well No. 1 located in Unit O of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico.



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

Memo No. 6-77

NOTICE! NOTICE! NOTICE!

TO ALL OPERATORS FROM JOE D. RAMEY, SECRETARY-DIRECTOR

THIS IS A FINAL REMINDER THAT ALL EXISTING ONE-WELL AND BLANKET PLUGGING BONDS MUST BE REPLACED BY NEW BONDS ON THE REVISED FORMS PRIOR TO JANUARY 1, 1978.

This requirement is in accordance with Commission Order No. R-5432 entered May 24, 1977.

The most recent reminder of this requirement was sent to all operators by OCC Memorandum No. 5-77 dated October 17, 1977, and explained that if replacement bonds are not on file and approved by the deadline date, operators will be required to shut in all producing, drilling, and injection wells.

Response to the requirement for replacement bonds has been less than adequate. At this writing, there still remain more than one thousand bonds which have not yet been replaced, and there is less than one month before the deadline.

This is the final reminder that will be sent to operators to replace existing bonds by January 1, 1978, or face the shutting in of wells.

JDR/DSN/jr

December 2, 1977

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. 6108

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 35: S/2

2. Applicant proposes to drill its Bradshaw "IY" Com. No. 1 Well at a location 660 feet from the south and 660 feet from the west line of said Section 35, and to dedicate the S/2 of said Section 35 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 unorthodox 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 S/2 of said Section 35 should be dedicated to the Bradshaw "IY" Com. No. 1 Well.

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 Bradshaw "IY" Com. No. 1 Well and to dedicate the S/2 of said Section 35 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

Joel Carson Phone in 11/23/11

Appl Yates P. & Corp

DHC Stonewall EPS Vets
No 1 1980 NW 30-20S-28E
Eddy Co. Burton Flat - Morrow
Gas N. Burton Flat - Wolfcamp Gas

DHC Co Hall FD #1 ^{Case}
6603 1980 E 15-47S-26E
Eddy Co. Kennedy Farms - Morrow
Gas Kennedy Farms - Dakota Gas

Case 6108

NSL Bradshaw IY ^{Case}
No 1 6603 & W 35-17S-26E
S/2 dedication

Kennedy Farms Field
Eddy Co.