CASE 6126: YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING AND AN
UNORTHODOX LOCATION, EDDY COUNTY

(ase Mumber 6126 Application Transcripts. Small Exhibits

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	1	NEW MEXICO OIL CON Santa Fe	ORE THE NSERVATION COMMISSION , New Mexico , 18, 1978
	3 4	EXAMINE	ER HEARING
	5 6	IN THE MATTER OF:))))
	7	Application of Yates Pet for compulsory pooling a location, Eddy County, N	and an unorthodox) 6126
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Service New Mar	11	TRANSCRIPT	OF HEARING
reporting of Reporting Ser., Santa Fe, New S65) 982-9212	12	א דו רו א	RANCES
_ \$22	13	For the New Mexico Oil	Lynn Teschendorf, Esq.
sid morrish General Co Jalle Meja, No. 17	14 15	Conservation Commission:	Legal Counsel for the Commission State Land Office Building Santa Fe, New Moxico
sid 825 Calle	16	For the Applicant:	Joel M. Carson, Esq. LOSEE & CARSON, P.A.
	17		Attorneys at Law 300 American Home Building Artesia, New Mexico
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MR. STAMETS: We will call next Case 6126.

MS. TESCHENDORF: Case 6126, application of Yates
Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico.

MR. CARSON: Mr. Hearing Examiner, my name is Joel Carson, Losee and Carson P.A., Artesia, New Mexico, representing the applicant and I have one witness and I would like to make a request as soon as I introduce him, Ray Beck.

(THEREUPON, the witness was duly sworn.)

MR. CARSON: This case was published for an unorthodox location as well as for pooling but at this time we
would like to request that the application insofar as it
applies to compulsory pooling be dismissed with leave given
us to refile at such time as it may be necessary.

MR. STAMETS: Okay, that portion of Case 6126 dealing with compulsory pooling will be dismissed without prejudice.

RAY BECK

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

DIRECT EXAMINATION

BY MR. CARSON:

Q Will you state your name, please?

A Ray Beck.

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- Q Mr. Beck, by whom are you employed?
- A Yates Petroleum Corporation.
- Q In what capacity?
- A Geologist.
- Q Have you previously testified before this Commission?
 - A Yes, I have.
 - Q Have your qualifications been accepted?
 - A They have.

MR. CARSON: Are his qualifications acceptable?

MR. STAMETS: The witness is considered qualified.

Q (Mr. Carson continuing.) Mr. Beck, would you explain to the Hearing Examiner the purpose of this application?

A In Case 6126 Yates Petroleum Corporation requests approval of an unorthodox gas well location of their proposed No. 2 Siegenthaler IS to be drilled fourteen hundred and sixty feet from the south line and nineteen eighty from the west line of Section 21, Township 17 South, Range 26 East, Eddy County. The west half of Section 21 will be dedicated to the well.

Q I refer you to Applicant's Exhibit Number One and ask for you to, if that was prepared by you or under your supervision?

A It was prepared under my supervision.

reporting service 11. Reporting Service 2, Santa Fe, New Mexico 87501 (505) 982-9212 Q What does it purport to show?

A Exhibit Number One is a land plat showing the proposed location and its relationship to the surrounding leasehold situation. The yellow denotes acreage in which Yates has one hundred percent or some less percentage interest

Q I refer you to Applicant's Exhibit Number Two and ask for you to explain that exhibit?

A Exhibit Number Two is a combined isolith and structural map showing in solid contours the varying footage of clean Morrow sands and the dotted contour is a structural attitude on top of the Morrow clastic. Also shown on this exhibit is a typical compensated neutron formation density log from a Kennedy Farms Morrow well. The yellow indicates the clean Morrow sand presently in this well and the accounted footage is twenty feet. The red colored well spots on the map are Morrow gas producers.

In reference to the maps it indicates that the best six sixty locations in the west half of Section 21 of the proration unit from the standpoint of encountering the most clean Morrow sand would be six sixty from the south and nineteen eighty from the west line of Section 21. However Yates is prevented from staking the optimal locations because of proximity to either farm buildings or irrigation ditches or roads. In Yates' opinion then in consideration of the geology and the existing farm culture, the proposed unorthodox

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would encounter the greatest number of feet of clean Morrow sand in the west half of Section 21.

Mr. Beck, was this exhibit prepared by you or under your supervision?

It was prepared by me. Α

MR. CARSON: Mr. Examiner, I would like to move the introduction of Exhibits One and Two.

MR. STAMETS: These Exhibits will be admitted.

(THEREUPON, Applicant's Exhibits One and Two were admitted into evidence.)

(Mr. Carson continuing.) Mr. Beck, in your professional opinion will the granting of this application prevent the drilling of unnecessary wells, protect correlative rights and prevent waste?

Α Yes.

MR. CARSON: We have no further questions.

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

(THEREUPON, the witness was excused.)

MR. STAMETS: Anything further?

MR. CARSON: Mr. Examiner, may I mention and refer you back to Applicant's Exhibit One, because you are quite familiar with that area. Right there on the highway, of course, there are many small leases which are expiring in February so we could ask that this application could be expedited. We

Page______7

would appreciate it.

MR. STAMETS: We will do the best we can.

If there is nothing further we will take this Case under advisement.

sid morrish reporting service

General Court Reporting Service

825 Caule Mejia, No. 122, Santa Fe, New Mexico 87501

Phone (505) 982-9212

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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.

Sidney F. Mofrish, C.S.R.

i do hereby certify that the foregoing 10 a complete record of the proceedings in the Examiner hearing of Case No. 1975

New Mexico Oil Conservation Commission

Sid morrish reporting service General Court Reporting Service 5 Calle Mejia, No. 122, Santa Fe, New Mexico 875 Phone (505) 982-9212



DIRECTOR

JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
January 25, 1978



STATE GEOLOGIST EMERY C. ARNOLD

Mr. Joel Carson

Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: CASE NO. 6126

ORDER NO. R-5625

Applicant:

Yates Petroleum Corporation

Dear Sir:

Yours very truly,

JOE D. RAMEY

Director

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

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. 6126 Order No. R-5625

APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING AND AN UNORTHODOX LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th 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, requests dismissal of its application for an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 21, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico.
- (3) That said application should be dismissed without prejudice.
- (4) That the applicant further seeks approval of an unorthodox gas well location 1460 feet from the South line and 1980 feet from the West line of said Section 21, to test the Wolfcamp and Pennsylvanian formations, Kennedy Farms Field, Eddy County, New Mexico.
- (5) That the W/2 of said Section 21 is to be dedicated to the well.
- (6) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (7) That no offset operator objected to the proposed unorthodox location.

Case No. 6126 Order No. R-5625

(8) That approval of the subject application for unorthodox location 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 the application of Yates Petroleum Corporation for an order pooling all mineral interests in the Wolfcamp and Ponnsylvanian formations underlying the W/2 of Section 21, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico, is hereby dismissed without prejudice.
- (2) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for the Yates Petroleum Corporation Siegenthaler "IS" Well No. 2 to be located at a point 1460 feet from the South line and 1980 feet from the West line of said Section 21, Kennedy Farms Field, Eddy County, New Mexico.
- (3) That the W/2 of said Section 21 shall be dedicated to the above-described well.
- (4) 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

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Dockets Nos. 4-78 and 5-78 are tentatively set for hearing on February 8 and 22, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COLDAISSION REARING - WEDNESDAY - JANUARY 11, 1978

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

CASE 5958: (DE NOVO)

Application of Continental Oil Company for downhole commingling. Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

Upon application of Continental Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6026: (DE NOVO)

Application of William G. Rabe and Alice P. Rabe for a ron-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

Upon application of William G. Rabe and Alice P. Rabe this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6027: (DE NOVO)

Application of Great Jakes Chemical Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

Upon application of Great Lakes Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 3-78

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 18, 1978

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROCM 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 February, 1978, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for February, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- Application of Stevens Oil Company for an unorthodox gas well location, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O'Brien

 "F" Well No. 1 located 1650 feet from the South line and 330 feet from the East line of Section
 35, Township 8 South, Range 28 East, Twin Lakes-San Andrea Associated Pool, Chaves County, New
 Mexico, the SE/4 of said Section 35 to be dedicated to the well.
- CASE 6124: Application of HNG Oil Company for a unit agreement, Loa County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Shoetar Ranch Unit Area comprising 961 acres, more or less, of State lands in Townships 16 and 17 South, Range 35 East, Lea County, New Mexico.

- CASE 6125: Application of Shell Oil Company for an exception to Rule 202(B), San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an exception to Commission Rule No. 202(B), San Juan County, New Mexico, to permit the temporary ebandonment of certain wells on its Carson Unit Area in Township 25 North, Ranges 11 and 12 West, Bisti Lower Gallup Oil Pool, San Juan County, New Mexico. Applicant further seeks that any further extensions be administratively approved.
- CASE 6126: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, 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 W/2 of Section 21, Township 17 South, Range 26 Fast, Eddy County, New Mexico, to be dedicated to its Siegenthaler IS Well No. 2 to be drilled at an unorthodox location 1460 feet from the South line and 1980 feet from the West line of said Section 21. 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 6127: Application of Southland Royalty Company for a dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Aztec Palmillo State Com Well No. 1 located in Unit G of Section 32, Township 18 South, Range 29 East, to produce oil from the Wolfcamp and gas from the Morrow formations.
 - CASE 6128: Application of Champlin Petroleum Company for an unorthodox location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State

 "36" Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section
 36, Township 21 South, Range 27 East, East Carlsbad Gas Field, Eddy County, New Mexico, the S/2
 of said Section 36 to be dedicated to the well.
- CASE 6129: Application of King Resources Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Gardner Draw Unit Area comprising 19,840 acres, more or less, of Federal, State, and fee lands in Townships 19 and 20 South, Ranges 20 and 21 East, Eddy County, New Mexico.
- CASE 6130: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo and Wantz Granite Wash production in the wellbore of its Lockhart B-35 Well No. 5 located in Unit H of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6131: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Southeast Monument Unit Area, Warren McKee Pool, Lea County, New Mexico, by the injection of water into the McKee formation through 8 wells. Applicant further seeks the establishment of an administrative procedure for adding or substituting injection wells.
- Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Warren Unit Area, Warren McKee Pool, Lea County, New Mexico, by the injection of water into the McKee formation through 4 wells. Applicant further seeks the establishment of an administrative procedure for adding and substituting injection wells.
- Application of Doyle Hartman for compulsory pooling and a non-standard proretion unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 8, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to form a non-standard unit 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 6134: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SE/4 NM/4 of Section 22, Township 25 South, Range 37 East, Langlie Mattix Pool, 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.

Page 3 of 4 Examiner Hearing- Wednesday - January 18, 1978

CASE 6119: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech Well No. 228, to be located in Unit A of Section 18, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Dakota formation in said well.

CASE 6120: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of its Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5 and its Breech A Wells Nos. 627 in Unit B of Section 8, 677 and 679 in Units L and J, respectively, of Section 9, and 207 in Unit A of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6121: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 6122: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbores of its Breech E Wells Nos. 64 and 58 located in Unit A of Section 1 and Section 3, its State A Well No. 62 in Unit A of Section 2, and its Breech D Well No. 341 located in Unit B of Section 21, all in Township 26 North, Range 6 West; and its Breech F Wells Nos. 4 and 45 located in Unit A of Section 33, Unit M of Section 35, both in Township 27 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6096: Continued from January 4, 1978, Examiner Hearing

Application of Texas 0il & Gas Corporation for compulsory pooling, Lea 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 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 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 weil.

- CASE 6135: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the extension of the Wagon Mound Dakota-Morrison Gas Pool in Township 21 North, Range 21 East, Mora County, New Mexico.
- CASE 6136: In the matter of the application of the Oil Conservation Corm sion of New Mexico upon its own motion for an order for the creation and extension of certain pools in Lea, Chaves, and Roosevelt Counties, New Mexico.
 - (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Caprock-San Andres Pool. The discovery well is the Elk Oil Company State D.J. Well No. 1 located in Unit H of Section 2, Township 12 South, Range 32 East, NAPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NAPM Section 2: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the West Scarborough-Yates Pool. The discovery well is the Gifford, Mitchell and Wisenbaker Horse Back Well No. 2 located in Unit G of Section 33, Township 26 South, Range 36 East, NAPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NAPM Section 33: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Sombrero-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Michel Well No. 1 located in Unit C of Section 13, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 RAST, IMPM Section 13: NW/4

(d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the East Vest Ranch-Morrow Cas Pool. The discovery well is the Cockrell Corporation Occidental Federal Well No. 1 located in Unit A of Section 22, Township 14 South, Range 30 East, NAPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM Section 22: N/2

(e) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NAPM Section 23: SW/4
Section 26: NW/4

(f) LXTEND the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM Section 10: NE/4 Section 11: NW/4

(g) EXTEND the Brinninstool-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NAPM Section 21: W/2

(h) EXTEND the South Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NAPM Section 31: SW/4

(i) EXTEND the West Kemmitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RAIDE 33 EAST, NMPM Section 29: \$/2
Section 30: \$E/4

(1) EXTEND the Querecho Plains-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NAPPM Section 27: NW/4

(k) EXTEND the Tom Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NAMEM Section 23: SW/4
Section 26: W/2
Section 33: SE/4

(1) EXTEND the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM Section 27: SE/4

(m) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NAPM Section 15: NW/4

(n) EXTEND the Warren-Tubb Cas Pool in Les County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NAPM Section 23: SW/4
Section 26: NW/4

(o) EXTEND the West Warren-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, 12JPM Section 20: SW/4 Section 29: NW/4

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88210

A.J. LOSEE JOEL M. CARSON CHAD DICKERSON

6 January 1978

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

Dear Mr. Ramey:

Enclosed for filing, please find three copies of an Application of Yates Petroleum Corporation for an unorthodox gas well location for its Siegenthaler "IS" No. 2 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Yours truly,

Joel M. Carson

JMC:bjm Enclosures

cc w/enclosure: Mr. Randy Patterson

BEFORE THE OIL CONSERVATION COMMISSION
OF THE 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. 6/26

APPLICATION

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

Applicant is the operator of the Pennsylvanian formation underlying:

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

Section 21: W/2

and proposes to drill its Siegenthaler "IS" No. 2 Well at a point located 1,980 feet from the West line and 1,460 feet from the South line of said Section 21.

- 2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) 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 Pennsylvanian formation.
- 3. A standard 320-acre gas proration unit comprising the W/2 of said Section 21 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.
- 4. 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 a well 1,980 feet from the West line and 1,460 feet from the South line of said Section 21 and to dedicate the W/2 of Section 21, which is reasonably presumed to be productive of gas from the Pennsylvanian formation.
- C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

del M. Carson

LOSEE CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

OF THE 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. 6/26

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

Section 21: W/2

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

YATES PETROLEUM CORPORATION

M. Carson

CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

OF THE 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. 6/26

APPLICATION

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

Section 21: W/2

and proposes to drill its Siegenthaler "IS" No. 2 Well at a point located 1,980 feet from the West line and 1,460 feet from the South line of said Section 21.

- 2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) 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 Pennsylvanian formation.
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- 4. The approval of this application will afford applicant the opportunity to produce its just and equitable

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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 a well 1,980 feet from the West line and 1,460 feet from the South line of said Section 21 and to dedicate the W/2 of Section 21, which is reasonably presumed to be productive of gas from the Pennsylvanian formation.
- C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

y:

M. Carson

LOSEE, CARRON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

1980/W 1460/5 Siegenthaler 15 # 2

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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. 6126
Order No. R-5625

APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING AND AN UNORTHODOX LOCATION, EDDY COUNTY, NEW MEXICO.

JOR

Aff

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978 at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this 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:

location.

of Section 21, Township 17 South, Range 26 East NMPM, Eddy County, Ne Mexico. (3) That said application should be dismissed without prejudice. (3) That the applicant further se approval of an unorthodox gas well location 1460 feet from the South line and 1980 feet from the 24st line of Section 21, Township Range NMPM, to test the Wolfe Eddy County, New Mexico. (4) That the 212 of said Section 21 is to be dedicated to	(2) That the applicant formations	underlying the W/2
Mexico. (3) That said application should be dismissed without prejudice. (3) That the applicants further se approval of an unorthodox gas well location 1460 feet from the Sould line and 1980 feet from the Wast line of Section 21, Township Pange NHPH, to test the Walk Cody County, New Mexico. (4) That the W2 of said Section 21 is to be dedicated to	of Section 21 , Township 17	South , Range 26 East
(3) That said application should be dismissed without prejudice. (3) That the applicant prejudice. (4) That the applicant further search feet from the Sould line and 1980 feet from the West line of Section 21, Township Pange NHPH, to test the West address of formations, Kenns dy Farms Field and County, New Mexico. (4) That the West of said Section 21 is to be dedicated to	NMPM,	,EddyCounty, Ne
approval of an unorthodox gas well location 1460 feet from the 600 to line and 1980 feet from the 100 line of Section 21, Township Pange , NAPH, to test the Wolffeed Y County, New Mexico. (4) That the 162 of said Section 21 is to be dedicated to	Mexico.	
approval of an unorthodox gas well location 1460 feet from the 600 to line and 1980 feet from the 100 line of Section 21, Township Pange , NAPH, to test the Wolffeed Y County, New Mexico. (4) That the 162 of said Section 21 is to be dedicated to	(3) That said applies	whom should be
approval of an unorthodox gas well location 1460 feet from the South line and 1980 feet from the West line of Section 21, Township Pange , NHPH, to test the West Eddy County, New Mexico. (4) That the West of said Section 21 is to be dedicated to	diamined without p	rejudice.
line and 1980 feet from the West line of Section 21, Township Pange , NMPH, to test the West County, New Mexico. (4) That the W/2 of said Section 21 is to be dedicated to	(3) That the applicant.	fur ther se
line and 1980 feet from the Wist line of Section 2/, Township Pange , NHPH, to test the Wolf adPrinsylvence's formations, Kenns dy Farms Field F Eddy County, New Mexico. (4) That the W/2 of said Section 2/ is to be dedicated to	approval of an unorthodox gas well loc	ation 1460 feet from the Jou
Eddy County, New Mexico. (4) That the W/2 of said Section 2/ is to be dedicated to	line and 1980 feet from the Wist	line of Section 2/, Township
Eddy County, New Mexico. (4) That the W/2 of said Section 21 is to be dedicated to	, Pange	, NHPH, to test the Wolf
Eddy County, New Mexico. (4) That the 2/2 of said Section 2/ is to be dedicated to	and Pennsulvania formations,	Somedy Farms Field 1
That the W/2 of said Section 2/ is to be dedicated to		
		tion 2/ is to be dedicated to
	well.	
	imi inat a well at Salu uliottilo	MOV LOCKCIOII MILL DECOCL CHASTO
That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.		

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Case No.	
Order No.	R-

for unor the dur locution

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:

Corporation for an order pooling all mineral inverses in the Wolfcun, p and Pennsylvanian formations underlying the W/2 of Section 21, Township 17 South, Range 26 Cast NAPH, Eddy County, New Mexico, 13 hereby dismissed without prejudice.

- That an unorthodox gas well location for the walker and an analytic formation is hereby approved for a well to be located at a point 1460

 feet from the South line and 1880 feet from the West

 line of Section 21, Fewnship, Range

 NMPH, Kannedy Farms Field Coo, Eddy County,

 New Mexico.
- (3) That the 2/2 of said Section 2/ shall be dedicated to the above-described well.
- 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.

Jan. 18, 1977 746-3508 NSP: SF arteria application of yates Petroleum Corporation for congulary PA-oling and an unoithodox well location, Eddy Co. N.M. applicant, in the above Styled cause, seels an order gooding all mineral interest in the Wolfcarband Rennsylvanian formations underlying the W/2 of 501, 7175, 1268 Eddy G. N. M. to be dedinted to the 2 De De dulos 1 o Diegenthaler IS # 2 De Se drilled its Johnson Ja Com Well you woodsoon location No be Dilled 470 FSL and 2240FWL of said S 21. also to be considered vill be the cost of dulling

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Cipplication of Yells Get Cop. Unortholox W/2 of SOI TITS R 268 Eddy Co. N. M. 1980 1460 = 3340 FWL 470 FSL = 3340 FWL Johnn Ja Com No.1-Siegenthaler IS#2 Congulson Wolfcang & Pennsydoanin form W/2 of 21, TIDS R268 called in by Joel Carson 12-22-77