

CASE 6267: YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

James D.

CASE NO.

6267

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
6 July 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum
Corporation for compulsory pooling,
Eddy County, New Mexico.

CASE
6267

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 898-3404
Santa Fe, New Mexico 87501

MR. NUTTER: We'll call next Case Number 6267.

MS. TESCHENDORF: Case 6267. Application of
Yates Petroleum Corporation for compulsory pooling, Eddy
County, New Mexico.

The Applicant has requested that the case be
dismissed.

MR. NUTTER: Case Number 6267 will be dis-
missed.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 868-3404
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, Sally W. Boyd, a Court Reporter, DO HEREBY CERTIFY
that the attached and foregoing Transcript of Hearing
before the Oil Conservation Division was reported by me;
that said transcript is a full, true, and correct record
of the hearing, prepared by me to the best of my ability,
knowledge and skill from my notes taken at the time of
the hearing.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

Sally Walton Boyd CSE
Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case 6267
heard by me on 7/6, 19 78.
[Signature] Examiner
New Mexico Oil Conservation Commission

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
6 July 1978

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TRANSCRIPT OF HEARING

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Division:

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

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CERTIFIED SHORTHAND REPORTER
700 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

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I, Sally W. Boyd, a Court Reporter, DO HEREBY CERTIFY that the attached and foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge and skill from my notes taken at the time of the hearing.

Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 888-3404
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____, 19____.

_____, Examiner
New Mexico Oil Conservation Commission

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6267
Order No. R-5763

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of July, 1978, the Division
Director, 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. 6267 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

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

July 5, 1978

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

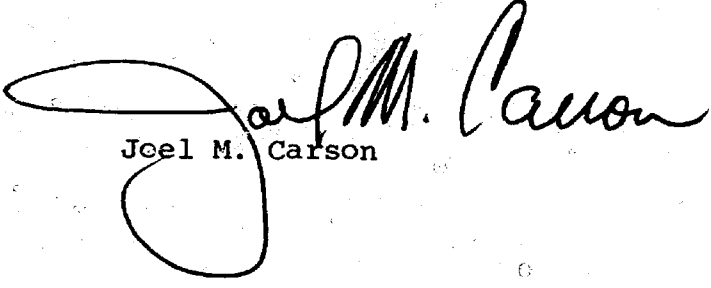
Attention: Lynn Teschendorf

Dear Lynn:

This letter will confirm our telephone conversation that case No. 6267, Application of Yates Petroleum Corporation for compulsory pooling, should be dismissed.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.


Joel M. Carson

JMC:aa

cc: Mr. Jack McCaw

Dockets Nos. 23-78 and 24-78 are tentatively set for hearing on July 19 and August 2, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 6, 1978

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

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

- CASE 6265: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Beck Producing Co. and all other interested parties to appear and show cause why the Cain State Well No. 1 located in Unit B of Section 16, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6266: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Field, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.
- CASE 6267: 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 Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 28, Township 17 South, Range 26 East, Kennedy Farms Field, 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 6268: Application of Southland Royalty Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reid Well No. 25 to be drilled in the SE/4 of Section 19, Township 28 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico, said well being off-pattern for the first well on the proration unit, the S/2 of Section 19.
- CASE 6269: Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the top of the San Andres thru the Abo underlying the NE/4 NW/4 of Section 25, Township 16 South, Range 38 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 6270: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Fusselman formation for its Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing, a gas-oil ratio limitation of 3,000 to 1, and special well location requirements.
- CASE 6258: (Continued from June 21, 1978, Examiner Hearing)
- Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 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 6262: (Continued from June 21, 1978, Examiner Hearing)
- Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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.

Phoned 6-9-78

Ypres Det Corp
Camp Pooling

Johnson ST #1

Standard Loc.
1980 FNL 5 660 FFL
28-17~~1~~-26E

WC & Penn
E/2

for July 6

Kennedy Farms?

Joel Carson

SECRET

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
1746-3508

12 June 1978

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

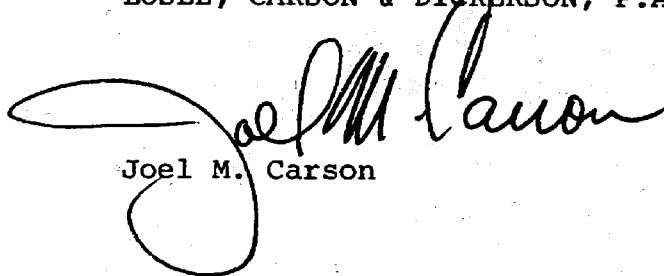
Dear Mr. Ramey:

Enclosed for filing, please find three copies of an Application of Yates Petroleum Corporation for compulsory pooling, 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,

LOSEE, CARSON & DICKERSON, P.A.



Joel M. Carson

JMC:bjm
Enclosures

cc w/enclosure: Mr. Jack W. McCaw

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 6267

APPLICATION

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

1. Applicant has the right to drill its Johnson "JT"
No. 1 Well in the Wolfcamp and Pennsylvanian formations as a gas
well, which is to be located at a point 1,980 feet from the North
line and 660 feet from the East line of Section 28, Township 17
South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the E/2 of said section
to this well, and there are interest owners in the proration
unit who have not agreed to pool their interests.

3. Applicant should be designated the operator of
the well and the proration 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 Pennsylvanian formation underlying
the E/2 of said Section 28, should be pooled.

5. That any non-consenting working interest owner that does not pay his share of 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 wells 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 Division enter its order pooling all mineral interests, whatever they may be, from the Wolfcamp through the Pennsylvanian formation underlying the E/2 of said Section 28, 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 well.

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

YATES PETROLEUM CORPORATION

By.


Joel M. Carson

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

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

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2. The applicant has dedicated the E/2 of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.
3. Applicant should be designated the operator of the well and the proration 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 Pennsylvanian formation underlying the E/2 of said Section 28, should be pooled.

5. That any non-consenting working interest owner that does not pay his share of 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.

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YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

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

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 6267

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

YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

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

Attorneys for Applicant

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6267

Order No. R- 5763

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



ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of July, 19 78, the Division
Director, 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. 6267 is hereby dismissed.

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