

CASE 6424: YATES PETROLEUM CORPORATION  
SUE AN UNORTHODOX WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

Continued to  
February 14

CASE NO.

6424

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum )  
Corporation for an unorthodox ) CASE  
well location, Eddy County, New ) 6424  
Mexico. )

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 Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

Joel Carson, Esq.  
LOSEE, CARSON, AND DICKERSON  
Artesia, New Mexico

SALLY WALTON BOYD  
CERTIFIED SHOT-HAND REPORTER  
2020 Plaza Alamosa (S.E.) 471-2462  
Santa Fe, New Mexico 87501

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RAY BECK

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# EXHIBITS

Applicant Exhibit One, Plat 8

Applicant Exhibit Two, Map 8

Applicant Exhibit Three, Cross Section 8

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Palm Blinnel (665) 471-2462  
Santa Fe, New Mexico 87501



1 MR. NUTTER: Call next Case 6424.

2 MS. TESCHENDORF: Case 6424. Application of  
3 Yates Petroleum Corporation for an unorthodox well location,  
4 Eddy County, New Mexico.

5 MR. CARSON: Mr. Examiner, the appearance  
6 is the same as in Case 6423. I have one witness, who is  
7 the same witness who testified in that case.

8 MR. NUTTER: Mr. Beck is still under oath  
9 and we'll keep Eddie Mahfood under oath, too, just in case.

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11 RAY BECK  
12 being called as a witness and having been duly sworn upon  
13 his oath, testified as follows, to-wit:

14  
15 DIRECT EXAMINATION

16 BY MR. CARSON:

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18 fied in the preceding Case Number 6423, are you not?

19 A Yes.

20 Q And you previously qualified in that case  
21 as well?

22 A Yes, sir.

23 Q Would you explain to the Examiner the purpose  
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25 A In Case 6424 Yates Petroleum Corporation re-

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca, (665) 471-2482  
Santa Fe, New Mexico 87501

1        requests approval for the unorthodox location of a gas well  
2        in Section 7, Township 20 South, Range 21 East, a location  
3        called the Superior Federal KJ No. 1. It would be 990 from  
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25       with a nosing in the northwest quarter of Section 7 of 20, 29.

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CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

1 The solid contours depict the predicted  
2 thickness of the lowest Morrow channel found in the Yates-  
3 Williamson BC No. 4 Well, drilled in the south half of  
4 Section 7, which will be shown on cross section A-A prime.  
5 The lowest channel, this lowest channel was perforated and  
6 given a small acid job, whereupon it produced about 250 Mcf  
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16 One other reason for the unorthodox location is to encounter  
17 porous permeable upper Morrow beach sands crossing the  
18 aforementioned structural nose.

19 Such beach sands were found in the Yates-  
20 Maralo Well in the east half of Section 12, 20, 28, on  
21 trend with the proposed nonstandard location, but they were  
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25 Q Mr. Beck, I refer you to Applicant's Exhibit

SALLY WALTON BOYD  
CERTIFIED SHOT HOLE REPORTER  
3030 Plaza Delicias (905) 471-2462  
Santa Fe, New Mexico 87501

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2 you or under your supervision?

3 A. I prepared this exhibit.

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16 MR. NUTTER: Now which well was it, Mr.  
17 Beck, that had the spray of gas?

18 A. The spray of water?

19 MR. NUTTER: Yeah, I mean spray of water,  
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21 A. In Section 7 of 20, 29, in the south half,  
22 the red colored well spot there, the Williamson BC No. 4.

23 MR. NUTTER: So that's the second well here  
24 on this cross section?

25 A. That's --

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3036 Plaza Elanora (SOS) 471-2462  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHOT/STAND REPORTER  
3010 Plaza Blanca, (505) 471-4463  
Santa Fe, New Mexico 87501

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MR. NUTTER: From the right.

A That's true, yeah.

MR. NUTTER: The second from the right.

A It's the third well from the left.

MR. NUTTER: Third from the left; second from the right.

A It's marked down at the bottom here, BC bottom channel; BC 4 bottom channel.

MR. NUTTER: Yeah.

A That's the one that gave up the quarter of a million plus a spray of formation water too much to handle. About 100 barrels a day, estimated.

MR. NUTTER: Now who owns the acreage in Section 6, Mr. Beck? Superior? In the south half?

A Yes, sir, I believe so.

MR. NUTTER: And I take it from examination of your Exhibit Number One that Yates owns all of the north half of Section 7 that would be dedicated to the well with the exception of 80 acres up where the well is located?

A Yes, sir.

MR. NUTTER: And that's a Superior lease.

A Yes, sir.

MR. NUTTER: Is this a communitization of Superior's?

A They farmed out to Yates.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza, Bldg. 605, 471-2463  
Santa Fe, New Mexico 87501

1 MR. NUTTER: It's on a farm-out?  
2 A Yes, sir.  
3 MR. NUTTER: Are there any further questions  
4 of Mr. Beck?  
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6 Beck, and that is would approval of the application afford  
7 you the opportunity to produce your just and equitable  
8 share of gas, to prevent economic loss and avoid the aug-  
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15 Do you have anything further Mr. Losee --  
16 Mr. Carson?  
17 MR. CARSON: I'm the young one, Mr. Nutter.  
18 MR. NUTTER: Do you have anything further,  
19 Mr. Carson?  
20 MR. CARSON: No, sir.  
21 MR. NUTTER: Does anyone have anything they  
22 wish to offer in Case Number 6424?  
23 We'll admit the exhibits and take the case  
24 under advisement.  
25 (Hearing concluded.)



## REPORTER'S CERTIFICATES

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the 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  
2020 Plaza Blasco (606) 471-4412  
Santa Fe, New Mexico 87501

Sally W. Boyd CSR  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6024  
heard by me on 4/14 1999.

[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
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EXAMINER HEARING

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CERTIFIED SHORTHAND REPORTER  
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SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 3030 Palm Beach (195) 471-2403  
 Santa Fe, New Mexico 87501

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SALLY WALTON BOYD  
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2820 Plaza Blanca (990) 471-2462  
Santa Fe, New Mexico 87501

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2022 Plaza Blanca (686) 472-4462  
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SILLY WALTON BOYD  
CERTIFIED SHORTHAND REWRITER  
3010 Plaza Blanca (SSE) 411-1462  
Santa Fe, New Mexico 87501



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CERTIFIED SHORTHAND REPORTER  
300 Plaza Blanca (161) 471-2462  
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3028 Plum, Kansas (City) 471-4462  
Sandra Po, New Mexico 87501

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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca, Suite 100, Dallas, Texas 75201  
214-471-2442

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MR. NUTTER: Do you have anything further,  
Mr. Carson?

MR. CARSON: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6424?

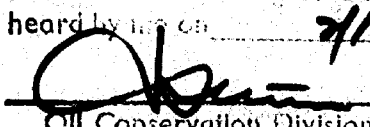
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(Hearing concluded.)

REPORTER'S CERTIFICATES

I, SALLY W. BOYD, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of  
Hearing before the Oil Conservation Division was reported  
by me; that the 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner's hearing of Case No. 6424  
heard by me on 7/14 1979.  
 , Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3929 Plaza Barrios (P.O.) 411-2462  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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. 6424  
Order No. R-5930

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of February, 1979, the Division Director, 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 Division 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 for its Superior Fed. KJ Well No. 1 located 990 feet from the North line and 990 feet from the West line of Section 7, Township 20 South, Range 29 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, East Burton Flat Field, Eddy County, New Mexico.
- (3) That the N/2 of said Section 7 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. 6424  
Order No. R-5930

(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.

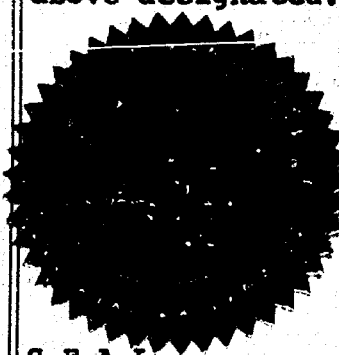
IT IS THEREFORE ORDERED:

(1) That an unorthodox well location for the Wolfcamp and Pennsylvanian formations is hereby approved for the Yates Petroleum Corporation Superior Fed. KJ Well No. 1 to be located at a point 990 feet from the North line and 990 feet from the West line of Section 7, Township 20 South, Range 29 East, NMDM, East Burton Flat Field, Eddy County, New Mexico.

(2) That the N/2 of said Section 7 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 Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

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

CASE  
6424

BEFORE: Richard L. Stamets

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 Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca, S.E. 171-4162  
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6424.

2 MS. TESCHENDORF: Case 6424. Application of  
3 Yates Petroleum Corporation for an unorthodox well location,  
4 Eddy County, New Mexico.

5 The Applicant has also requested that this  
6 case be continued to the February 14th Examiner Hearing.

7 MR. STAMETS: The case will be so continued.

8 (Hearing concluded.)  
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SALLY WALTON BOYD  
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3026 Plaza Blanca (505) 471-3483  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached 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 W. Boyd CSR  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6-274 heard by me on 1-31 1979.  
Richard R. Starn, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED (HCH) COURT REPORTER  
2020 Plaza Blanca (SOS) 471-2442  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SSE) 471-2402  
Santa Fe, New Mexico 87501

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MR. STAMETS: Call next Case 6424.

MS. TESCHENDORF: Case 6424. Application of  
Yates Petroleum Corporation for an unorthodox well location,  
Eddy County, New Mexico.

The Applicant has also requested that this  
case be continued to the February 14th Examiner Hearing.

MR. STAMETS: The case will be so continued.

(Hearing concluded.)

SALLY WALTON BOYD  
(CERTIFIED SHORTHAND REPORTER)  
2020 Plaza Blanca (SOS) 471-2453  
Santa Fe, New Mexico 87501



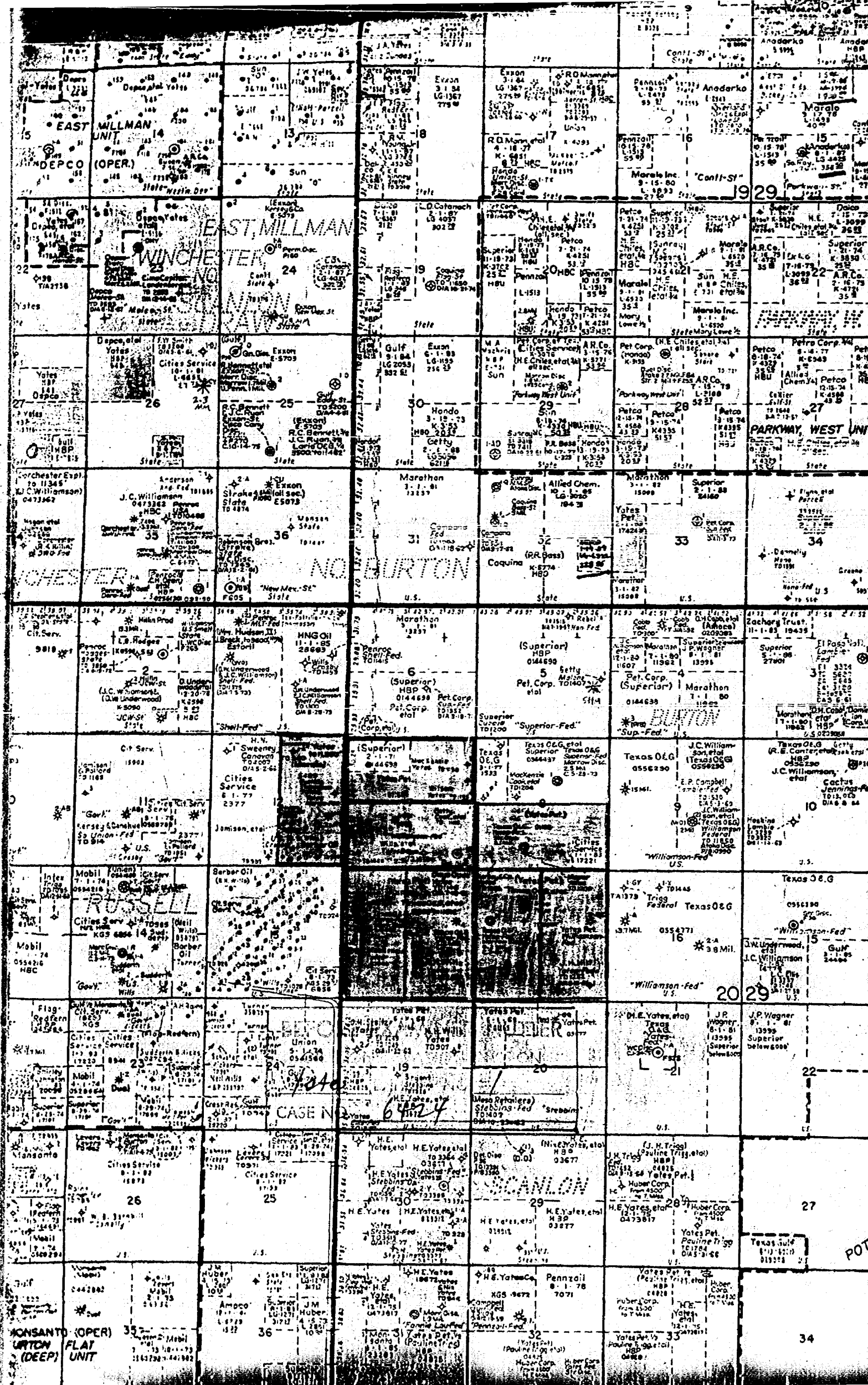
REPORTER'S CERTIFICATE

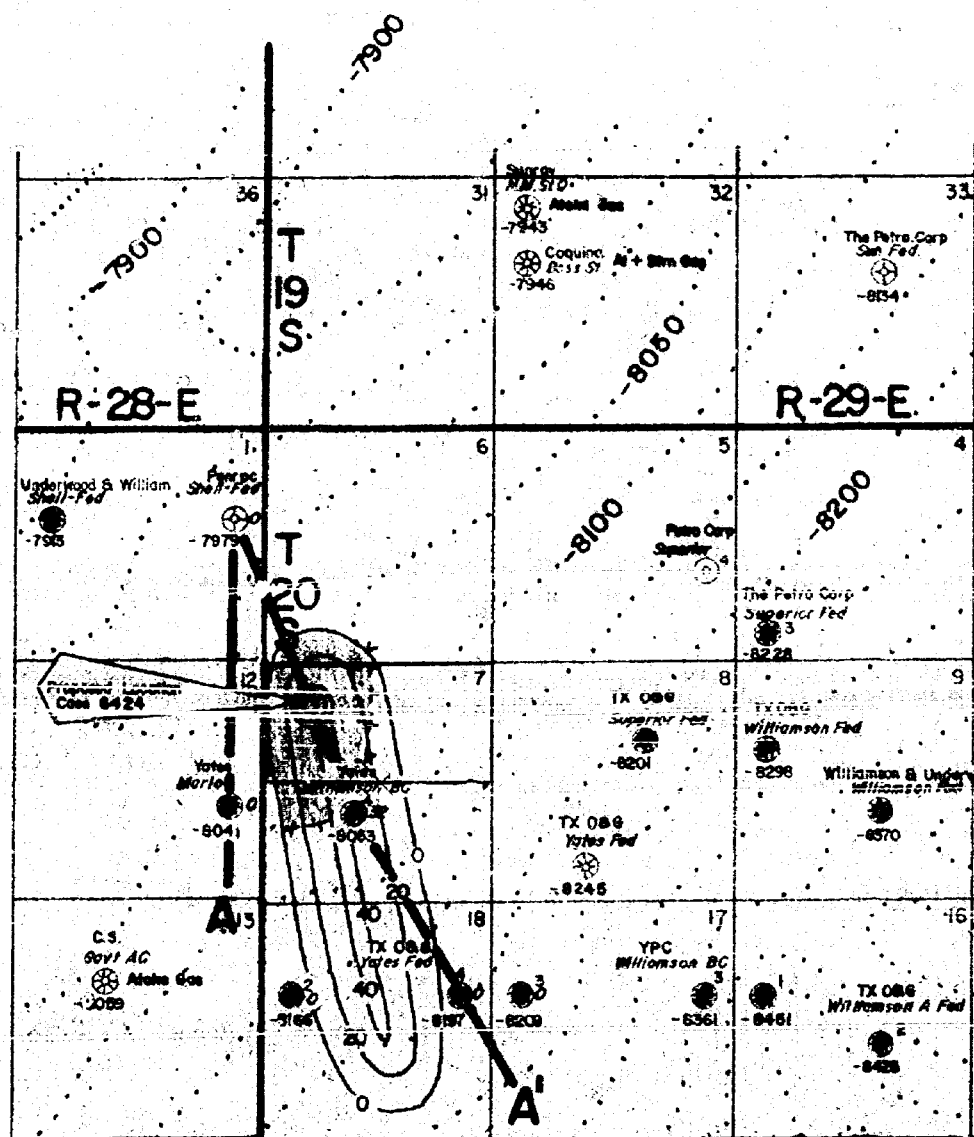
I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill,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

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6424 heard by me on 1-31 1979.  
*Richard H. Stank*, Examiner  
 Oil Conservation Division

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 2010 Penn. Avenue, S.W. (SOS) (7) 2-4452  
 Santa Fe, New Mexico 87501





## LEGEND



Morrow Penetrations



Morrow Gas Well (Colored Red)



Thickness of "BC" #4 Bottom Channel  
Subsides Below on Lower Morrow



Dotted contours: Structure or top of Lower Morrow



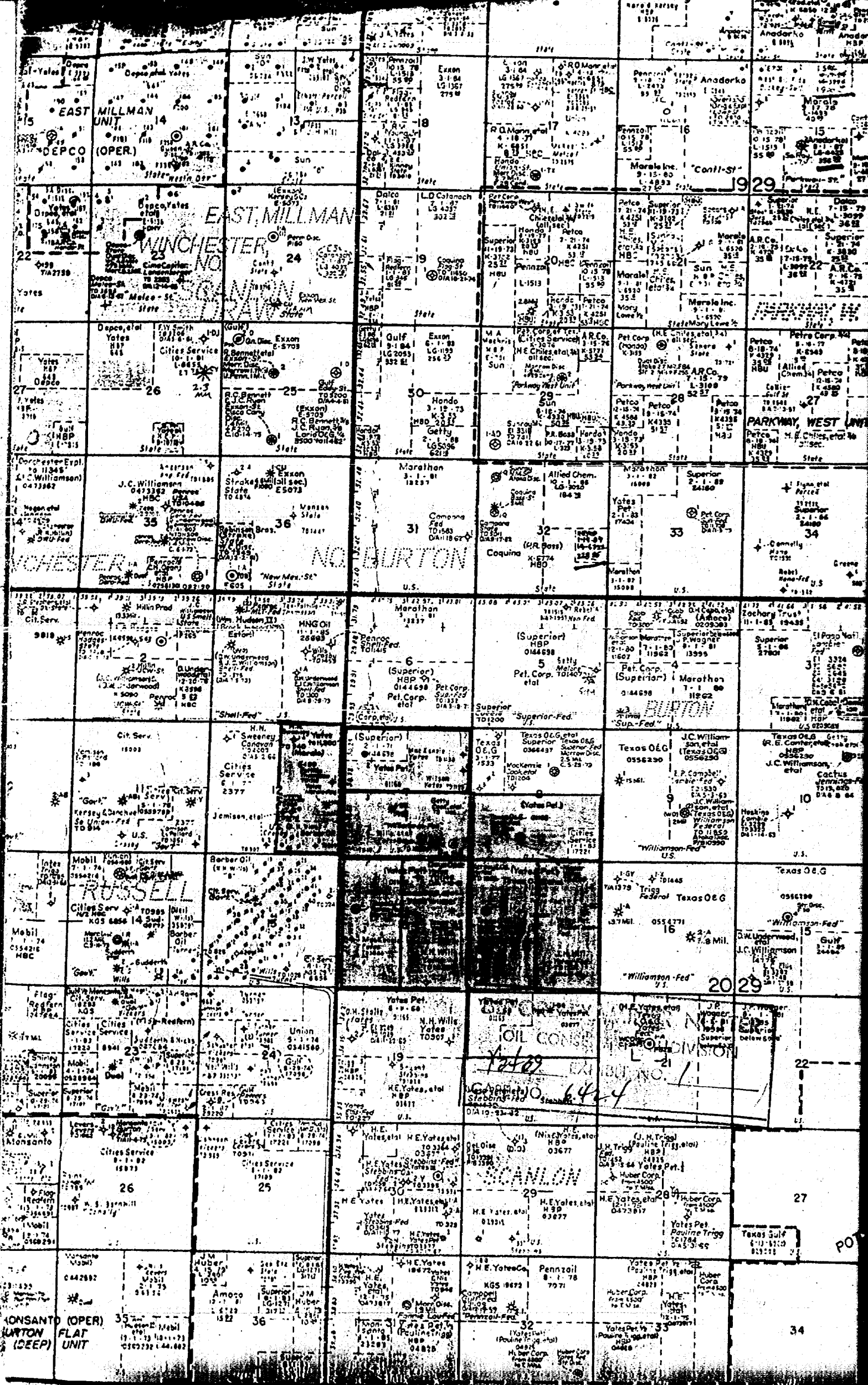
Solid contours: Thickness of "BC" #4 Bottom Channel

BEFORE EXAMINER NOTYER

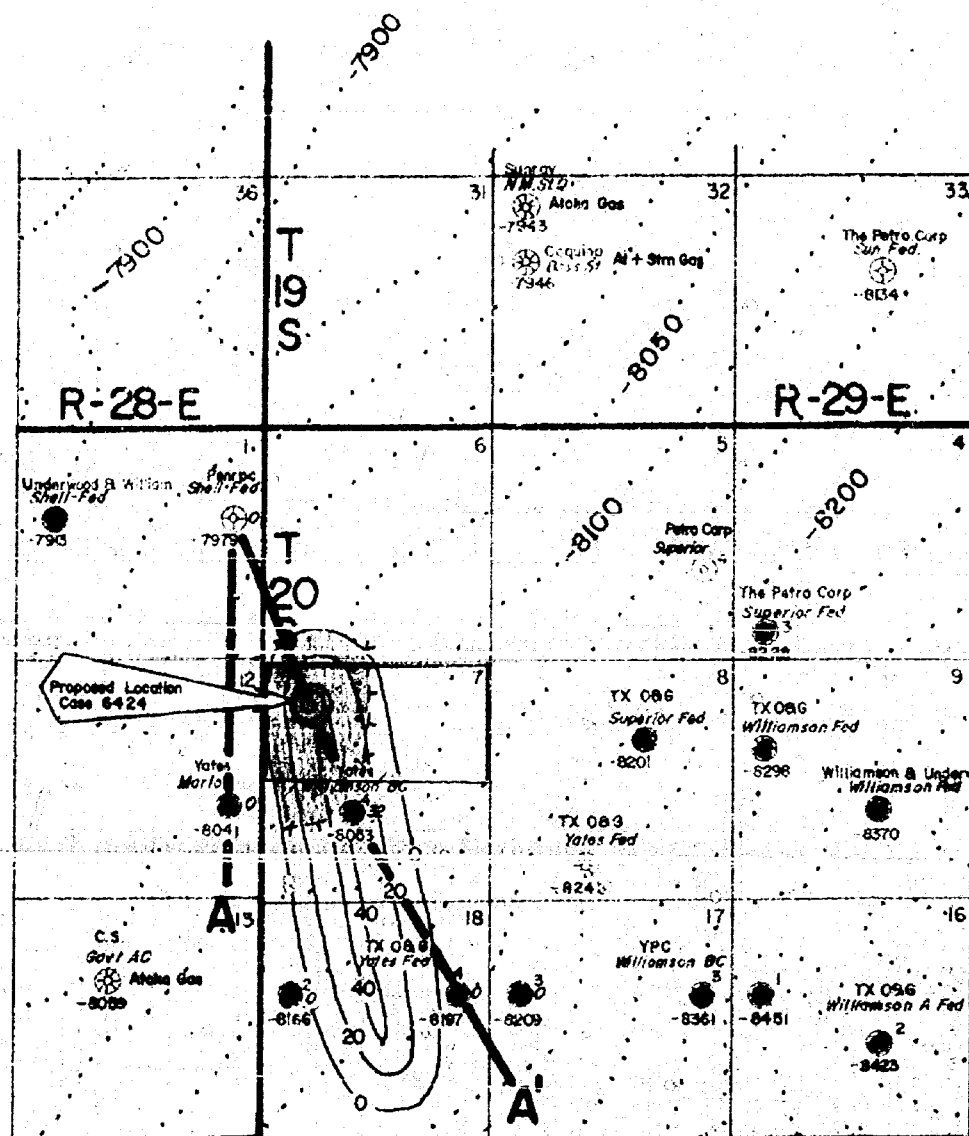
OIL CONSERVATION DIVISION

Yates, EXHIBIT NO. 2

CASE NO. 6424







## LEGEND



Morrow Penetrations



Morrow Gas Well (Colored Red)



Thickness of "BC" #4 Bottom Channel  
Subsidence Datum on Lower Morrow



Dotted contours: Structure on top of Lower Morrow



Solid contours: Thickness of "BC" #4 Bottom Channel

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
Yates EXHIBIT NO. 2  
CASE NO. 6424

[illegible]





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum )  
Corporation for a dual comple- )  
tion, Eddy County, New Mexico. )

CASE  
6419

BEFORE: Richard L. Stamets

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 Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (S.E.) 471-9462  
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6419.

2 MS. TESCHENDORF: Case 6419. Application of  
3 Yates Petroleum Corporation for a dual completion, Eddy  
4 County, New Mexico.

5 The Applicant has requested that this case  
6 be continued to the February 14th Examiner Hearing.

7 MR. STAMETS: The case will be so continued.

8 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTLAND REPORTER  
2010 Plaza Blanca (908) 471-5402  
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached 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 W. Boyd CSR  
Sally W. Boyd, O.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (106) 471-2462  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a complete record of the proceeding in  
the hearing of Case No. 6418  
heard by me on 10/31 1979.  
Richard L. Stamm, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum  
Corporation for a dual comple-  
tion, Eddy County, New Mexico.

CASE  
6419

BEFORE: Richard L. Stamets

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 Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTLAND REPORTER  
2020 Plaza Blanca (505) 411-4462  
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6419.

2 MS. TESCHENDORF: Case 6419. Application of  
3 Yates Petroleum Corporation for a dual completion, Eddy  
4 County, New Mexico.

5 The Applicant has requested that this case  
6 be continued to the February 14th Examiner Hearing.

7 MR. STAMETS: The case will be so continued.

8 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED (MORTGAGE) REPORTER  
2026 Plaza Illinois (505) 471-2462  
Santa Fe, New Mexico 87501



REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6412, heard by me on 1-31-1979.  
Richard R. Stuart, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2026 Penn. Avenue, S.W. (313) 471-4452  
Baltimore, Md. 21201

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
17 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Corporation for ) CASE  
a dual completion, Eddy County, ) 6419  
New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Lynn Teschendorf, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe. New Mexico 87501

For the Applicant:

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
388 Plaza Blanca (395) 471-5462  
Santa Fe, New Mexico 87501

MR. NUTTER: Call next Case 6419.

MS. TESCHENDORF: Case 6419. Application of Yates Petroleum Corporation for dual completion, Eddy County, New Mexico.

The applicant in this case has also requested that this case be continued to the January 31st hearing.

MR. NUTTER: Case Number 6419 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 31, 1979.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3028 Plaza Blanca (696) 471-4415  
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY  
 CERTIFY that the foregoing and attached 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 W. Boyd CSR  
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 2419  
 heard by me on 4/17 1979.

[Signature], Examiner  
 Oil Conservation Division

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 3024 Plaza Blanca (SOS) 471-4462  
 Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
17 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Corporation for ) CASE  
a dual completion, Eddy County, ) 6419  
New Mexico. )

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 Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
10924 Hamill Road (505) 471-4432  
Santa Fe, New Mexico 87501

MR. NUTTER: Call next Case 6419.

MS. TESCHENDORF: Case 6419. Application of Yates Petroleum Corporation for dual completion, Eddy County, New Mexico.

The applicant in this case has also requested that this case be continued to the January 31st hearing.

MR. NUTTER: Case Number 6419 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 31, 1979.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHOT-AND-REPORTER  
2090 Palm Bluffs (505) 471-2463  
Santa Fe, New Mexico 87501



## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6419  
heard by me on 1/19 1979.

[Signature] Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2026 Prima Blanca (606) 471-8483  
Sault Ste. Marie, Michigan 49783

BEFORE THE OIL CONSERVATION DIVISION  
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. 6424

APPLICATION

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

1. Applicant is the operator of the Wolfcamp and  
Pennsylvanian formations underlying:

Township 20 South, Range 29 East, N.M.P.M.

Section 7: N/2

and proposes to drill its Superior Federal "KJ" No. 1 Well at a  
point located 990 feet from the North line and 990 feet from the  
West line of said Section 7.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Wolfcamp and Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising  
the N/2 of said Section 7 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 Division enter its order granting applicant permission to drill a well 990 feet from the North line and 990 feet from the West line of said Section 7 and to dedicate the N/2 of Section 7, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvanian formations.

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

Dockets Nos. 7-79 and 8-79 are tentatively set for hearing on February 28 and March 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 14, 1979

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1979, for both of the above areas.
- CASE 6445: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Consolidated Minerals Development Corporation, American Surety Company, and all other interested parties to appear and show cause why the Sarah "S" Well No. 1 located in Unit J of Section 26, Township 31 North, Range 23 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6446: Application of Flag-Redfern Oil Company 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 formation through the perforated interval from 4,969 feet to 4,984 feet in its Santa Fe Well No. 2 located in Unit D of Section 35, Township 10 South, Range 36 East, Dickinson-San Andres Pool, Lea County, New Mexico.
- CASE 6447: Application of Atlantic Richfield Company for approval of infill drilling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its J. R. Phillips "B" Well No. 6 to be located at an unorthodox location 990 feet from the North line and 1650 feet from the West line of Section 31, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.
- CASE 6448: Application of Sam H. Smith, for amendment of Order No. R-5521, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5521 to change the 160-acre non-standard proration unit to a 320-acre non-standard proration unit comprising the SW/4 of Section 25 and the NW/4 of Section 36, both in Township 20 South, Range 32 East, South Salt Lake Field, Lea County, New Mexico.
- CASE 6449: Application of The Superior Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Strawn and Morrow production in the wellbore of its Ryan Com. Well No. 1 located in Unit D of Section 5, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico.
- CASE 6450: Application of Sun Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Millman Pool Unit Area comprising 920 acres, more or less, of Federal and state lands in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 6451: Application of Burleson & Huff for approval of infill drilling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Coll A Well No. 2 to be located at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.
- CASE 6452: Application of Burleson & Huff for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the recompletion of its Harrison Well No. 2 located in Unit N or, in the alternative, the drilling of its Harrison Well No. 4 to be located in Unit L, both in Section 25, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.
- CASE 6453: Application of Moranco for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry and Drinkard production in the wellbore of its EM Elliott Well No. 1 located in Unit E of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6454: Application of Doyle Hartman for approval of infill drilling and two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1980 feet from the South and East lines of Section 9, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well, the El Paso Prichard Well No. 1, located in Unit C of Section 9. Applicant further seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 9 for the new well and a 160-acre non-standard unit comprising the NE/4 of said Section 9 for the El Paso well.

CASE 6432: (Continued and Readvertised)

Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to form two 40-acre units, each 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 wells 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 wells and a charge for risk involved in drilling said wells.

CASE 6435: (Continued and Readvertised)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6419: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.

CASE 6423: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 660 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.

CASE 6424: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.

CASE 6455: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its North Texas Hills Unit Area comprising 5,120 acres, more or less, of Federal, state, and Fee lands in Township 21 South, Range 21 East, Eddy County, New Mexico.

CASE 6456: Application of Harvey E. Yates Company for a new onshore reservoir determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 1 located in Unit D of Section 9, Township 18 South, Range 29 East, Morrow formation, Eddy County, New Mexico.

CASE 6457: Application of Harvey E. Yates Company for a new onshore reservoir determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Empire South Deep Unit Well No. 13 located in Unit N of Section 30, Township 17 South, Range 29 East, Morrow formation, Eddy County, New Mexico.



CASE 6458: Application of Cotton 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 Federal 24 Well No. 1 to be located 660 feet from the South and East lines of Section 24, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Pool, Eddy County, New Mexico, all of said Section 24 to be dedicated to the well.

CASE 6459: Application of Cotton Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying all of Section 24, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South and East lines of said section. 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 6460: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending certain pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico:

(a) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM  
Section 26: W/2

(b) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM  
Section 16: NE/4

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM  
Section 18: SE/4

(c) EXTEND the Beautiful Mountain-Mississippian Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM  
Section 32: SE/4 SW/4 and SW/4 SE/4

(d) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM  
Section 5: S/2 NE/4

(e) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM  
Section 8: E/2  
Section 9: All

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM  
Section 3: W/2  
Section 4: All  
Section 5: All

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM  
Section 21: S/2  
Section 28: W/2  
Section 29: S/2 (Partial)  
Section 30: S/2 (Partial)

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM  
Section 1: W/2

(f) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM  
Section 7: S/2  
Section 18: W/2



TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM

Section 2: W/2 and SE/4  
Section 11: All  
Section 12: W/2 and SE/4  
Section 24: NW/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 14: SW/4  
Section 15: E/2  
Section 23: W/2

TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM

Section 12: W/2

(g) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 2: SW/4  
Section 3: SE/4  
Section 4: NW/4  
Section 9: NE/4  
Section 10: SE/4

(h) EXTEND the Bloomfield-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 12: NE/4

(i) EXTEND the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM

Section 3: NE/4

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 23: SW/4  
Section 26: W/2  
Section 35: NW/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 19: All  
Section 20: W/2  
Section 29: E/2 and NW/4  
Section 30: N/2  
Section 33: NE/4

(j) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM

Section 7: N/2

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

Section 13: All  
Section 24: W/2  
Section 36: NE/4

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM

Section 22: SE/4  
Section 23: S/2  
Section 24: SW/4  
Section 25: W/2 and SE/4  
Section 26: All  
Section 27: E/2

(k) EXTEND the Franciscan Lake-Mesaverde Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 5 WEST, NMPM

Section 18: NW/4 SW/4

- (l) EXTEND the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM  
Section 28: NE/4

- (m) EXTEND the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM  
Section 20: S/2

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM  
Section 3: SE/4  
Section 23: NE/4

- (n) EXTEND the Gonzales-Mesaverde Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 5: NE/4

- (o) EXTEND the Harper Hill Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM  
Section 2: NE/4

- (p) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM  
Section 1: SE/4  
Section 10: NE/4  
Section 11: NW/4 and SE/4  
Section 12: All  
Section 13: All  
Section 24: N/2

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM  
Section 19: All

- (q) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM  
Section 3: N/2 (Partial)  
Section 4: All

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM  
Section 33: S/2

- (r) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM  
Section 27: SW/4

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM  
Section 3: SW/4  
Section 4: SE/4  
Section 8: S/2 and NE/4  
Section 9: All  
Section 10: W/2  
Section 15: W/2  
Section 16: All  
Section 17: N/2  
Section 21: NW/4  
Section 22: NW/4

- (s) EXTEND the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM  
Section 14: NW/4 SW/4  
Section 21: E/2 SW/4  
Section 28: NE/4 NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 34: W/2 SW/4

Section 36: W/2 SW/4

- (t) EXTEND the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 18: E/2

- (u) EXTEND the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM

Section 30: N/2 and SE/4

- (v) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 9: N/2

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 32: SE/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM

Section 1: SW/4

Section 2: NW/4

Section 3: NE/4

- (w) EXTEND the White Wash Mancos-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 11: W/2 NW/4

- (x) EXTEND the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 7: S/2

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 7, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases are continued from the January 24, 1979, Commission Hearing.

CASE 6231: (DE NOVO)

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 State "JM" Well No. 1, a Morrow test to be located 660 feet from the North and East lines of Section 25, Township 18 South, Range 24 East, Eddy County, New Mexico, the N/2 of said Section 25 to be dedicated to the well.

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

CASE 6232: (DE NOVO)

Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Cities "JC" Well No. 1 to be located 660 feet from the South and East lines of Section 13, Township 18 South, Range 24 East, Fordinkus Field, Eddy County, New Mexico, the E/2 of said Section 13 to be dedicated to the well.

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

Dockets Nos. 5-79 and 6-79 are tentatively set for hearing on February 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 31, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6422: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6415: (Continued from January 17, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 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 6419: (Continued from January 17, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.

CASE 6423: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 650 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.

CASE 6424: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.

CASE 6425: Application of T. B. Knox Estate for exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Lucia Brookes Well No. 2 located in Unit K of Section 14, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in the following manner: set surface casing and circulate cement; eliminate salt protection string; and do not circulate cement on production casing.

CASE 6426: Application of C. W. Trainer for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and West lines of Section 24, Township 20 South, Range 32 East, South Salt Lake-Morrow Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.

CASE 6427: Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Pool, San Juan County, New Mexico, the E/2 NE/4 to be dedicated to the well.

CASE 6428: Application of Mobil Oil Corporation for the amendment of Order No. R-5801, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5801 to delete the requirements for lined tubing in injection wells in the North Vacuum Abo East Pressure Maintenance Project, Lea County, New Mexico.



- CASE 6439: 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 wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: 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 Mesaverde production in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: 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, Chacra and Mesaverde production in the wellbore of its Breech E Well No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of said well.
- CASE 6444: 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, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, RDDY  
COUNTY, NEW MEXICO

CASE NO. 6424

APPLICATION

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

1. Applicant is the operator of the Wolfcamp and  
Pennsylvanian formations underlying:

Township 20 South, Range 29 East, N.M.P.M.

Section 7: N/2

and proposes to drill its Superior Federal "KJ" No. 1 Well at a  
point located 990 feet from the North line and 990 feet from the  
West line of said Section 7.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Wolfcamp and Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising  
the N/2 of said Section 7 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 Division enter its order granting applicant permission to drill a well 990 feet from the North line and 990 feet from the West line of said Section 7 and to dedicate the N/2 of Section 7, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvanian formations.

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

YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKINSON, 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 AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 6424

APPLICATION

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

1. Applicant is the operator of the Wolfcamp and  
Pennsylvanian formations underlying:

Township 20 South, Range 29 East, N.M.P.M.

Section 7: N/2

and proposes to drill its Superior Federal "KJ" No. 1 Well at a  
point located 990 feet from the North line and 990 feet from the  
West line of said Section 7.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Wolfcamp and Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising  
the N/2 of said Section 7 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 Division enter its order granting applicant permission to drill a well 990 feet from the North line and 990 feet from the West line of said Section 7 and to dedicate the N/2 of Section 7, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvanian formations.

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

Joel Carson 1-10-79  
Application Yates & Pet Corp.  
for an NSL 2 cases

✓ Superior Fed. KT Well No 1  
990 FNL & WL 7-20<sup>S</sup>-29C  
Wolfcamp & Penn

N/2 Dedicate Case 6424

#2

Jackson AT Well No 9  
660 FSL 660 FWL 13-175-25C  
Wolfcamp - Penn & Miss

S/2 Dedicate

BKJ

DRAFT

dr/

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. 6424

ORDER NO. R- 5930

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX ~~GAS~~ WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14,  
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this \_\_\_\_\_ day of February, 19 79, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Yates Petroleum Corporation,  
for its Superior Fed. KJ Well No. 1 located  
seeks approval of an unorthodox gas well location/ 990  
feet from the North line and 990 feet from the  
West line of Section 7, Township 20 South  
Range 29 East, NMPM, to test the Wolfcamp and Pennsylvanian  
formations, East Buxton Flat Field Pool, Eddy  
County, New Mexico.

(3) That the N/2 of said Section 7 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.



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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 Wolfcamp and  
the Yates Petroleum Corporation Superior Fed. KJ Well No. 1  
formations is hereby approved for a well to be located at a point 990  
feet from the North line and 990 feet from the West  
line of Section 7, Township 20 South, Range 29 East  
NMPM, East Pecos Flat Field Pool, Eddy County,  
New Mexico.

(2) That the N/2 of said Section 7 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 Division may deem necessary.

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