

CASE 6480: HARVEY E. YATES COMPANY FOR
AN NGPA DETERMINATION, LEA COUNTY, NEW
MEXICO

*Continued to
March 28*

CASE NO.

6480

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for an NGPA determination, Lea
County, New Mexico.

CASES
6507
6480
6482

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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ANDREW LATTU

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1 MR. STAMETS: We'll call next Case 6507,
2 being the application of Harvey E. Yates Company for an
3 NGPA determination, Lea County, New Mexico.

4 Call for appearances in this case.

5 MR. STRAND: Mr. Examiner, I'm Robert
6 Strand, attorney for Harvey E. Yates Company, the applicant.
7 We have one witness who needs to be sworn.

8
9 (Witness sworn.)

10
11 MR. STRAND: Mr. Examiner, in Case
12 Number 6507 Harvey E. Yates Company is seeking the deter-
13 mination under the Natural Gas Policy Act of 1978 that the
14 gas produced from its Hanlad State No. 1 Well is entitled
15 to a ceiling price calculated under Section 102 of the
16 Natural Gas Policy Act, being a new onshore reservoir.

17 We had previously filed an application for
18 Section 103 treatment, a separate application, which I be-
19 lieve has been approved and has been sent on to FERC, so
20 we will not be considering that today.

21 MR. STAMETS: Okay, so your only concern
22 today will be 102 determination.

23 MR. STRAND: Yes.
24
25

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ANDREW LATTU

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

DIRECT EXAMINATION

BY MR. STRAND:

Q State your name, please.

A Andrew Lattu.

Q Mr. Lattu, where are you employed?

A I'm employed by Harvey Yates Company as a geologist in Midland.

Q Mr. Lattu, have you ever testified before this Commission in the past and are your qualifications a matter of record?

A Yes, I have and they are.

MR. STRAND: Mr. Examiner, are Mr. Lattu's qualifications acceptable?

MR. STAMETS: Yes.

Q (Mr. Strand continuing.) Mr. Lattu, is Harvey E. Yates Company the operator of the Hanlad State No. 1 Well?

A Yes, they are.

Q What is the location of the well?

A The location is in Lea County, New Mexico, 1980 feet from the south line, 1980 feet from the west line

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1 in Section 2, Township 18 South, Range 35 East.

2 Q Is the actual drill site located on a State
3 or fee lease?

4 A It is located on the State of New Mexico
5 Lease Number L-201.

6 Q What was the spud date of the well?

7 A The well was spudded on 8-15-77.

8 Q And what was the total depth reached in the
9 well?

10 A The total depth reached was 4,657 feet.

11 Q What was the completion of the well?

12 A The well was completed on 9-16-77, as a --

13 MR. STAMETS: What was the total depth?

14 A 4,657 feet.

15 Q Was the well completed as a producer, Mr.
16 Lattu?

17 A Yes, it was completed as a natural gas well.

18 Q What formation was it completed in?

19 A It was completed in the Queen Sand at a
20 depth of 4,212 to 4,220 feet.

21 Q Mr. Lattu, are you familiar with the defi-
22 nition of the term "reservoir" as found in Section 2 of the
23 Natural Gas Policy Act?

24 A Yes, I am.

25 Q And in preparing for your testimony in this

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1 case, have you analyzed geological and pressure data that's
2 available from this well and other wells in the area?

3 A. Yes, I have.

4 Q. I refer you to Exhibit Number One. Will
5 you please describe this exhibit?

6 A. Exhibit One is a land plat with a circle
7 of radius two and a half miles drawn around the Harvey E.
8 Yates Company No. 1 Hanlad State.

9 It also shows the cross section A-A', which
10 will be Exhibit Number Three.

11 Q. Mr. Lattu, referring to Exhibit Number Two,
12 will you please describe this exhibit?

13 A. All right. This is a structure map, as
14 prepared by GeoMap. It's a commercial mapping service.
15 It was mapped on -- or contoured on the shallow horizon
16 of the Yates Sand.

17 Q. Is the location of the Hanlad State No. 1
18 Well pointed out on that map?

19 A. Yes, it is indicated by a red circle.

20 Q. Referring to Exhibit Number Three, would
21 you please describe this exhibit and its purpose?

22 A. Well, Exhibit Number Three is a cross sec-
23 tion, as indicated on Exhibit Number One.

24 Harvey E. Yates Company Hanlad State No. 1
25 Well is the only Queen gas well within this two and a half

1 mile radius circle, and this cross section just shows near-
2 by wells that were drilled prior to the drilling of the
3 Harvey E. Yates Company Hanlad well.

4 And the Queen Sand is present in all of
5 these wells, and none of the wells tested or found commer-
6 cial production within this Queen interval.

7 And the two other wells shown on the cross
8 section here, the first one, the Managan Lea No. 1 on the
9 righthand side of the cross section was a dry hole and it
10 did core the Queen interval. It didn't, however, have a
11 DST.

12 Q Mr. Lattu, have you examined logs and data
13 from other wells, other than these particular three you
14 have on the cross section?

15 A Yes, I have.

16 Q And have any of those wells, including the
17 wells that you refer to on the cross section, penetrated
18 the Queen formation?

19 A Yes, most of the wells here have penetrated
20 the Queen and have a fair amount of Abo production, some
21 San Andres production. In fact, most of the wells on this
22 map have gone through the Queen zone.

23 Q Did you find in your investigation that
24 any of these particular wells had penetrated the Queen zone
25 prior to April 20th, 1977?

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1 A. Most all of them had.

2 Q. Mr. Lattu, have any of these wells that
3 you've investigated produced natural gas in commercial
4 quantities from the Queen formation or any other formation?

5 A. No, to my knowledge, and I checked quite
6 thoroughly through most of them, none of them have found
7 either by DST or by perforation any indication of Queen
8 production.

9 Q. What about production from other formations
10 or reservoirs?

11 A. Other formations and reservoirs have been
12 productive and most of them have been oil.

13 Q. Mr. Lattu, and you may have stated this
14 already, but would you state again, were any of these wells
15 tested in the Queen?

16 A. No, none of the wells conducted a DST that
17 I could find in any way indicating gas production within
18 the Queen.

19 Q. All right. Were any of these particular
20 wells plugged as dry holes?

21 A. Yes. The well on the righthand side, the
22 number three well of the cross section, was a dry hole, and
23 it was drilled as principally a Queen Penrose test, and
24 it did core the Queen zone.

25 Q. You referred earlier to wells that had pro-

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1 duced from other formations, other than the Queen. Have
2 any of these wells depleted in those other formations?

3 A The well on the lefthand side of the cross
4 section, the Hanagan Superior A State No. 1, is completed
5 as an Abo well, and has since been abandoned.

6 Q And there was no indication that there was
7 any testing done of the Queen formation before abandonment
8 of the well, is that correct?

9 A No, there is not. Or that is correct, I
10 guess, is a better way to say it.

11 Q Mr. Lattu, were Exhibits One, Two and Three
12 prepared by you or under your supervision?

13 A Yes, they were.

14 MR. STRAND: Mr. Examiner, I move admission
15 of Exhibits One through Three.

16 MR. STAMETS: Pardon?

17 MR. STRAND: Move admission of Exhibits One,
18 Two, Three.

19 MR. STAMETS: They will be admitted.

20
21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Lattu, do you believe that this reservoir
24 that you've found in Hanlad State No. 1 exists as a reser-
25 voir or does not exist as a reservoir in the two offset

1 wells you've shown on your cross section?

2 A By log analysis of the one well that did
3 core the Queen, the log looks comparable to what we pro-
4 duce from. They did not test it, however, and they did
5 have a core through that interval, but they didn't have
6 core lab -- or they didn't have a commercial test. There
7 is nothing written up about it other than the fact that it
8 was cored, but there's been no commercial production from
9 it before we drilled that well.

10 Naturally, what I saw on the logs is what
11 led us to want to attempt a well in the area. There hadn't
12 been any tests or indication of actual commercial production.

13 Q So the two wells on each side of your well
14 had actually been plugged and abandoned before you drilled
15 your well.

16 A Yes, they were.

17 MR. STRAND: Mr. Lattu, do you have an esti-
18 mate from how many wells that are shown on your exhibit
19 actually penetrated that reservoir that we're talking about?

20 A It would be a very considerable number be-
21 cause most of those wells go through the Queen to deeper
22 horizons. And we're talking about well over 100 wells.

23 Q (Mr. Stamets continuing.) In one of the
24 questions that's asked in the FERC regulations is that if
25 this zone has been penetrated by an old well, could the

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1 reservoir have been produced from such an old well prior
2 to April 20, 1977.

3 Can you answer that question?

4 A I can only answer it that no one has prior
5 to that time attempted to complete it. I mean if it was
6 a known reservoir, someone would have tried.

7 That's dodging the question a little but I
8 mean you really don't know until you re-enter one of those
9 old wells and attempt completion, and to my knowledge that
10 hasn't been done.

11 MR. STRAND: Mr. Examiner, when we're done
12 with Mr. Lattu's testimony I have some comments I'd like to
13 make on that aspect. That was primarily the reason we
14 called for the hearing on this particular case, and the
15 next two coming up.

16 MR. STAMETS: Okay.

17 A The operators of the two wells abandoned
18 them without, you know, attempting to -- any kind of com-
19 pletion in the zone.

20 Q What kind of pressures did you encounter
21 in this Hanlad State Well?

22 A Specific pressures I don't remember. They
23 were good. We did have -- we cored the zone and then we
24 ran a DST of it.

25 MR. STAMETS: Mr. Strand has handed me a

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1 copy of Division Form C-122, which shows a shut-in tubing
2 pressure of 1303 pounds, which compares with your initial
3 shut-in on DST of 1488 pounds, and it also shows a potential
4 of, roughly, 2-1/2 million a day.

5 Q Do you think that the offset wells have
6 been that good in the Queen, that they would have shown up
7 during drilling operations?

8 A That would be difficult to answer. Like I
9 say, the only well that really looked very similar to ours
10 in the log was the Hanagan well on the righthand side of
11 the cross section, but they did have a core of the sand.

12 Q Okay, the Lea Well is the well that was
13 cored?

14 A Yes, the Hanagan Lea cored the Queen.

15 Q Okay, and then the Hanagan Superior was not
16 cored?

17 A No, nor did it test it.

18 It's a very slim zone of porosity, if you
19 look at the porosity log there, that we are completed in.
20 It's my own belief just working through this area, that
21 there are fairly limited reservoirs consisting of probably
22 shallow water sandbars.

23 Q So you believe that it is possible for wells
24 such as the Hanlad State No. 1 to encounter these sandbars
25 and produce them and the same bar not be found in the off-

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1 setting wells?

2 A Well, that could be, or you would find a
3 bar and you wouldn't find it in the offsetting wells, as
4 we found further to the south.

5 Q Okay. So there is evidence to say that
6 this reservoir could not have been produced from any other
7 well?

8 A Yes.

10 CROSS EXAMINATION

11 BY MS. TESCHENDORF:

12 Q Have you looked at the logs of -- any of
13 the logs of wells that penetrated this zone, other than the
14 ones you've got on this cross section?

15 A Yes, I have.

16 Q In your opinion did any of them look as
17 though they were promising in this zone?

18 A Well, some of them --

19 Q What did the zone look like in them?

20 A Well, some of the zones looked good; some
21 like the Hanagan; none of them had tested it, however, and
22 until we drilled our well, that's the first production
23 that's been found there.

24 Q Do you have any idea why the zone, if it
25 looked promising wasn't tested, or why any of them didn't

1 come to completion in that zone?

2 A No, like I say, some wells have been plugged
3 and abandoned that had the zone in it. We found in some of
4 our other drilling that just finding the zone doesn't insure
5 production, like two dry holes in this same area, one just
6 to the south in Section 11, and another well down in Section
7 23, neither of which were commercially productive. In fact,
8 they weren't productive at all.

9 So it's not a widely productive reservoir
10 by any means.

11
12 RECROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Lattu, you indicated that you felt that
15 these Queen reservoirs should be fairly small, fairly iso-
16 lated. Can you cite an area that illustrates this same
17 type of deposition in the Queen?

18 A Not within the Queen, no. We started off
19 first exploring this thinking that we'd have a much more
20 widespread reservoir, and our very first well, which is
21 coming up as the next case, was a producing well and we
22 felt very good about it, and offset it with a well that
23 was fairly poor, and with a dry hole, showing us that it was
24 both small in areal extent and predictability wasn't as
25 good as we had thought.

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Q You say in the next case, that's Case 6480?

A Yes.

Q And that is in Section 22.

A 22.

MR. STAMETS: Let's go off the record a second.

(There followed a discussion off the record.)

MR. STAMETS: We'll go back on the record.

Mr. Lattu, since you have mentioned the well that is the subject of Case 6480, and your attorney advises me that Case 6482 is also involved, I think we should perhaps consolidate all three of these cases and hear testimony and develop a single record that, perhaps, will make all three of them stronger cases.

Ms. Teschendorf, would you please call those next two cases?

MS. TESCHENDORF: Cases 6480 and 6482 are both applications of Harvey E. Yates Company for NGPA Determination, Lea County, New Mexico.

MR. STAMETS: I presume we have the same appearances and your witness has been sworn and qualified in these cases as well.

MR. STRAND: That's correct.

MR. STAMETS: Why don't you go ahead, Mr.

1 Strand, and discuss the next two cases and then we can
2 question Mr. Lattu concerning all of the wells?

3 MR. STRAND: Fine.

4 Mr. Examiner, Case Number 6480 involves
5 Harvey E. Yates Company's State 22 No. 1 Well, and again
6 in this case we seek a determination that the gas produced
7 from this well is entitled to Section 102 treatment under
8 the Natural Gas Policy Act.

9 I might point out that we filed an alternate
10 application in this case, also seeking as an alternative
11 Section 103 treatment, and I'm going to ask that that parti-
12 cular part of the application be dismissed.

13 We had some confusion as to what the spud
14 date was on that particular well when we originally did the
15 application. We referred to the petroleum information and
16 completion card, which indicated a spud date after February
17 19th, 1977, and the completion report indicates a spud date
18 of February 15th, 1977, and after doing some investigation
19 we determined that the February 15th date is the correct
20 spud date and therefore we are not eligible for 103 treat-
21 ment.

22 So I'm going to ask that that be dismissed.

23 MR. STAMETS: Okay, that's in 6480 dismiss
24 the alternative of the onshore production well determination.

25 MR. STRAND: Yes.

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1 The other well we'll be discussing is Case
2 Number 6482. That's our Mobil 27 No. 1 Well, and again we
3 seek the same determination, that of treatment as Section
4 102 under the Natural Gas Policy Act, and we also in that
5 case ask that as an alternative that we receive Section 103
6 treatment for the gas produced from that well.

7 And we will not present any testimony as to
8 the 103 application, but just leave that to be handled ad-
9 ministratively.

10 MR. STAMETS: Okay, so again, we'll just
11 dismiss that part of the application in all three of these
12 cases.

13 MR. STRAND: Yeah, as far as testimony is
14 concerned, Mr. Stamets.

15 The Mobil 27-1, we are seeking as an alter-
16 native 103 treatment.

17 MR. STAMETS: But you're not asking for
18 that, an order coming out on that, but only for an order
19 on a 102 determination?

20 MR. STRAND: Yes. Yes.

21 MR. STAMETS: Okay.

22 Q (Mr. Strand continuing.) Mr. Lattu, refer-
23 ring to the State 22 No. 1, Case Number 6480, is Harvey E.
24 Yates Company the operator of that well?

25 A Yes, they are.

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Q What is the location of the well?

A The well is located in Lea County, New Mexico, 330 feet from the south line and 330 feet from the east line of Section 22, Township 18 South, Range 35 East.

Q Is the drill site of that particular well located on a State or a fee lease?

A Yes, the drill site is located on a State of New Mexico Lease L-4253.

Q What date was the well spudded?

A The well was spudded on February 15th, 1977.

Q What was the total depth?

A Total depth reached was 4,511 feet.

Q What was the date the well was completed?

A The well was completed on April 14th, 1977.

Q What type of production was obtained on the well?

A It was initially completed as an oil well with casinghead gas.

Q Was there any production from that well prior to April 20th, 1977?

A Not to my knowledge.

Q Mr. Lattu, would you please refer to Exhibit Number One in Case Number 6480 and describe that exhibit?

Oh, I'm sorry. What was the producing interval in the well?

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1 A The well was completed in the Queen forma-
2 tion at a depth of 4,454 feet to 4,460 feet.

3 Q Now referring to Exhibit Number One, Mr.
4 Lattu, would you describe that exhibit?

5 A Exhibit Number One is a land plat, scale
6 1 inch equals 4000 feet. It has a circle drawn on it of
7 radius 2-1/2 miles, drawn around the Harvey E. Yates No. 1
8 Honeysuckle State 22.

9 Also shown is cross section A-A', which
10 shows several nearby wells, and that will be Exhibit Number
11 Three.

12 Q Mr. Lattu, have you also -- do you also have
13 an Exhibit Number One in Case 6482, which is similar to the
14 exhibit in Case 6480?

15 A Yes, I do. The only difference being Ex-
16 hibit Number One in Case 6482, a circle of radius 2-1/2
17 miles is drawn around the Harvey E. Yates No. 127 Mobil
18 State Well.

19 Q Mr. Lattu, would you refer to Exhibit Number
20 Two in Case Number 6480 and explain that?

21 A All right, this is a structure map contoured
22 on top of the Yates. This was prepared by GeoMap Service,
23 which is a commercial mapping service.

24 Q Do you also have a similar Exhibit Number Two
25 that you've prepared in Case Number 6482?

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1 A Yes, I do. It is again a Xeroxed copy of
2 the same map by the same service. Both maps have a red
3 circle indicating a well of discussion on each one. This
4 one being the Honeysuckle 122 State, and Case 6482 the well
5 circled is Harvey E. Yates 1-27 Mobil State.

6 Q Mr. Lattu, have you also prepared an Exhibit
7 Number Three for each of these two cases, and will you
8 please describe those exhibits?

9 A Exhibit Number Three is a cross section
10 A-A'. It is the same cross section on both cases. The
11 only difference -- the only difference between 6480 and 6482
12 Exhibit Threes are in 6482 we have added the subject well
13 there, being the Harvey E. Yates Mobil 27 State No. 1.

14 The subject well on each exhibit is indi-
15 cated by an arrow at the top of the cross section.

16 Q Mr. Lattu, I think we'll go back and get
17 the location and completion data on the Mobil 27 No. 1 Well.

18 Is HEYCO the operator of the Mobil 27 No. 1
19 Well? In Case Number 6482?

20 A Yes, they are.

21 Q What's the location of that well?

22 A The well is located in Lea County, New
23 Mexico, 660 feet from the north and 660 feet from the east
24 lines of Section 27, Township 18 South, Range 35 East.

25 Q Mr. Lattu, is the drill site of this well

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1 located on either a fee or State lease?

2 A Yes. The drill site is located on State of
3 New Mexico Lease V-2735.

4 Q What was the spud date of this well?

5 A This well was spudded on 6-28-1977.

6 Q What was the total depth?

7 A Total depth reached was 4,790 feet.

8 Q What was the completion date?

9 A The well was completed on 7-26-1977.

10 Q Was the well completed as a producer and if
11 so, what type of production was obtained?

12 A It was completed as an oil well with casing-
13 head gas.

14 Q What is the producing interval? Or did
15 you give that, I'm sorry?

16 A Not yet. The producing zone is in the
17 Queen formation and depth is 4,453 feet to 4,459 feet.

18 Q Mr. Lattu, referring to Exhibits One, Two,
19 and Three in each of Cases 6480 and 82, have you examined
20 logs and other data from the wells that you've set out on
21 those exhibits relating to geological and pressure data?

22 A Yes, I have.

23 Q Mr. Lattu, have any of the wells other than
24 the Mobil 27 No. 1 and the State 22 No. 1 penetrated the
25 Queen formation?

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1 A Yes, a lot of other wells in this area have.
2 It was through log analysis of looking at all these other
3 wells that got us into this prospect.

4 Several wells showed what looked like good
5 porosity within the Queen and the upper and lower Penrose
6 section, and based on that log analysis, we drilled the
7 No. 1 Honeysuckle Well, which did not find production in
8 the lower or upper Penrose but did find production in the
9 Queen zone.

10 Q That is the State 22 No. 1 Well, is that
11 correct?

12 A Yes.

13 Q Mr. Lattu, do you feel that these two wells,
14 the Mobil 27 No. 1 and the State 22 No. 1 are in the same
15 reservoir?

16 A I feel they probably are because of how
17 close they are together; however their production right now
18 is somewhat different.

19 MR. STAMETS: Now, which two wells? In the
20 same reservoir?

21 A The Honeysuckle, that was the well there in
22 the southeast corner of 22.

23 MR. STAMETS: Okay.

24 A And the well there in the northeast of 27,
25 Mobil 27, State No. 1.

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1 MR. STAMETS: The Mobil 27? Is that your
2 Mobil 27?

3 A Yes.

4 MR. STAMETS: And those are in the same
5 reservoir?

6 Q Is that your opinion?

7 A Yes, I believe they probably are. That's
8 a Queen sand approximately 6 feet thick, located about
9 10 feet down from the top of the Queen, top of the Queen
10 formation.

11 Q Mr. Lattu, you testified that other wells
12 have penetrated the Queen formation. Do you feel that those
13 wells were within the reservoir that we're talking about?

14 A Well, none of them tested it. We -- we
15 felt that we had three possibilities of production on it.
16 I'm talking about the initial well now, being the Penrose
17 and the Queen. We didn't find production in the Penrose
18 but we did in the Queen.

19 The next well, the Mobil 27 that we drilled,
20 again we penetrated all the upper and lower Penrose, and
21 again found production only within the Queen.

22 The other wells that showed good information,
23 or at least porosity on the logs and had not tested it,
24 some of them had been abandoned without any attempt at
25 completion or testing the Queen.

1 Q Am I correct, though, that these other wells
2 you're referring to probably did in fact penetrate this
3 zone but did not test it?

4 A Well, they penetrate the formation, and
5 whether or not the zone is productive within those wells,
6 we can't say without attempting to recomplete in them, but
7 some wells did show a good zone of porosity equivalent to
8 where we are completed in.

9 Q Would you say that that was the same reser-
10 voir as the Mobil 27 and the State 22 are in that some of
11 these wells may have penetrated?

12 A It could be. If it's a producing reservoir
13 in that well, then it probably is, and there is just some
14 question in my mind as to whether or not there really would
15 be a producing reservoir.

16 It might be of interest to point out, I
17 don't know if you want to bring it up now or later, Atlantic
18 Richfield attempted to recomplete a well which had produced
19 from a deeper zone in the Queen zone, and that was this
20 Well No. 3, and if you look in Section 22 on the west half,
21 and it looks like it's approximately, oh, 330 feet from the
22 south and maybe 21, 2200 feet from the west line of Section
23 22, after we drilled and completed the Honeysuckle, Atlantic
24 Richfield attempted to complete within the Queen zone of
25 that well, and after a period of stimulation and treating

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1 they got production of approximately 3 barrels a day, which
2 they later abandoned, and that well did have a zone on the
3 logs that looked at least as good as what we were completed
4 in, but they were not able to successfully complete it as
5 a well, or as a commercial well, I mean.

6 So based on that, there is some doubt as
7 to just the basic log analysis doesn't prove a well is
8 possible there.

9 Also there is a well further up, also on
10 the west half of that section, the ARCO No. 1 in the north-
11 east quarter of -- northwest quarter of Section 22, and you
12 see that well is about 660 from the north and the west.
13 That well had the zone, at least by log analysis, that com-
14 pares to what we were finally completed in, which was one
15 of the attractions of why we got into the area as a prospect.

16 After that well was drilled Mr. Rhodes
17 drilled a well between that well and the Honeysuckle Well,
18 which was a dry hole.

19 MR. STAMETS: What's the location of that
20 well?

21 A That well was approximately 1980 from the
22 north and west.

23 MR. STAMETS: Okay, and that's the -- in
24 Section 22, the H. P. Rhodes Atlantic State, and that was
25 drilled subsequent to the completion of the Honeysuckle --

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1 A Yes, that was drilled --

2 MR. STAMETS: -- and was a dry hole.

3 A And that was a dry hole. The zone was not
4 there.

5 And our well drilled over in Section 23
6 in the southwest quarter of the southwest quarter there was
7 also a dry hole. We cored the interval and it was completely
8 tight, but it did have some show of oil in the core, but
9 it had no permeability.

10 The core lab analysis was less than one
11 milledarse through the entire interval, so that was plugged
12 and abandoned as a dry hole.

13 So, therefore, just logs alone don't prove
14 it's a commercial reservoir, and it was partially because
15 of this erratic nature that we stopped drilling in the
16 area, at least for awhile, to watch the production we do
17 have.

18 The oil/gas ratios climbed after several
19 months production on the Honeysuckle State 22 Well, which
20 just discussing it with engineers they said indicated the
21 limited reservoir and that you -- the well, producing well,
22 had reached the boundary of the reservoir and that's why
23 the gas/oil ratio is rising, and it was at that time we
24 shut the well in to try and get a gas hook-up on it.

25 Q (Mr. Strand continuing.) Mr. Lattu, based

1 on your analysis of all three of these wells and other
2 wells surrounding them, is it your opinion that these Queen
3 reservoirs we've been discussing may be quite limited in
4 nature areawise?

5 A Yes, I think they're very limited in areal
6 extent.

8 CROSS EXAMINATION

9 BY MS. TESCHENDORF:

10 Q Mr. Lattu, on your Exhibit Three from Case
11 6480, the log of the Honeysuckle --

12 A Yes.

13 Q -- Well, your completion data is April 7th,
14 '77. When did the well go on production?

15 A Sometime after that. It was initially just
16 oil production only. I don't know exactly when. I would
17 say within a few months I think it produced oil, and it was
18 after that that casinghead gas, the amount of gas it was
19 making started increasing considerably.

20 Q What I'm getting at is the requirement --
21 since this well was spudded before 2-19-77 it's an old well,
22 and one of the questions in the FERC regs is whether or not
23 this reservoir could have been produced in commercial quan-
24 tities before April 20th, '77, and if your completion date
25 was April 7th, did you not have a pipeline in the area to --

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1 A Oh, they had to have a tank battery and
2 everything built before --

3 Q So you didn't have any of that available on
4 the 20th of April?

5 A See, I don't know exactly when the first
6 sales went. Do you have that form that shows it?

7 The date of first sales would be of record.
8 It's my belief it's after the 20th or we wouldn't be here.

9 MR. STRAND: Mr. Examiner, if I might inter-
10 ject, the application we filed and -- would indicate that
11 there were no suitable facilities for production of natural
12 gas until October 23rd, 1978, and further the application
13 would also indicate that there had been no commercial pro-
14 duction of gas whatsoever as of the date of the application.

15 I believe that facilities are in place but
16 have not been hooked up as of yet.

17 Q (Ms. Teschendorf continuing.) If this well
18 was producing oil, what were you doing with the casinghead
19 gas between the date of first sales and October of '78?

20 A It was being atmosphered, I think is the
21 term.

22 Q So you were producing -- your C-105 at-
23 tached to your application states that the date of first
24 production was April 13th, '77. That was oil.

25 A That was oil production.

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1 Q You didn't have facilities to sell the gas
2 into a pipeline until October of '78, is that correct?

3 A Yes, that's correct.

4 MR. STAMETS: All of that would be reflected
5 in the Division's well file.

6 MR. STRAND: Yes.

7 MR. STAMETS: As to dates of gas compression
8 first sales, and so on, I guess.

9 MR. STRAND: I suspect there's also a report
10 in the file relating to the disposition of the gas between
11 the time of completion and when facilities were there.

12 MR. STAMETS: And I've got a question.

13
14 RECROSS EXAMINATION

15 BY MR. STAMETS:

16 Q I'm still not sure about the productive
17 horizons. The Honeysuckle 22 appears to be producing at
18 the top of the Queen formation.

19 A No. The Honeysuckle 22 is completed -- if
20 you'll refer to Exhibit Three of 6482 you've got all the
21 logs on it there.

22 Q It still looks like the top of the Queen
23 formation.

24 A Well, it's below the top. The little dot
25 right there connected with the porosity spikes, the perfs.

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1 It's only -- it's a very skinny little 6-
2 foot sand.
3 Q Right. Now, if we move immediately to the
4 left to the --
5 A To the Mobil?
6 Q -- Mobil Well, that appears to be producing
7 right at the top of the Lower Penrose.
8 A Well, that was -- that's a drafting error.
9 We attempted completion there but did not find any.
10 Q I see. What are the perforations on this
11 well?
12 A The perforations on the Mobil Well are 4453
13 to 4459.
14 Q That helps a lot. Now how about the com-
15 pletion date and the potential, is that the same?
16 A Spud date -- the cross section was made
17 from a PI card so it says 6-29-77, where in earlier testi-
18 mony from our records I gave 6-28-77. And the completion
19 date of 7-26-77 again is from our records, and the cross
20 section shows what the PI card would have.
21 Q Now, earlier in this case before we conso-
22 lidated, we were talking about the possibility of a rela-
23 tively limited reservoir for the Hanlad Well.
24 Is what you have seen in the Honeysuckle
25 area strong geologic evidence that you do have limited re-

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1 servoires in the Queen formation in this area?

2 A Yes, I believe it is of this Queen formation
3 that you have -- you have very thin reservoir of 3 to 6 feet
4 thick of very good porosity, and as you can see, sometimes
5 in a very close offset the zone isn't there or the porosity
6 isn't well developed or the permeability isn't well developed
7 enough to give commercial production, and my own belief is
8 that what this represents is a shallow water sandbar 6 or
9 8 feet thick with a limited areal extent, and the Hanlad is
10 also completed in a fairly thin zone in approximately the
11 same interval, and I think these are all separate little
12 sandbars and the predictability of finding them is difficult.

13 Q These the only three Queen producing wells
14 inside these two circles?

15 A Let's see, yes, at this time, as I've said,
16 Atlantic Richfield attempted to recomplete their Well No. 3
17 there over in the west half of Section 22, and they have
18 abandoned it, at least talking with the geologist there
19 over a year ago.

20 So to my knowledge these are the only wells.

21 MR. STAMETS: Any other questions of Mr.

22 Lattu? He may be excused.

23 Anything further in this case?

24 MR. STRAND: Mr. Examiner, I move the ad-
25 mission of Exhibits One through Three in Case 6480 and One

1 through Three in Case 6482.

2 MR. STAMETS: These exhibits will be admit-
3 ted.

4 If there is nothing further these cases
5 will be taken under advisement.

6 (Hearing concluded.)
7
8
9

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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.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. _____

CASE NO. _____

Submitted by _____

Hearing Date _____

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

_____, Examiner
Oil Conservation Division

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NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2080, Santa Fe, New Mexico 87501

APPLICATION FOR WELLMHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY

DATE OF: APPLICATION 2-16-79
DETERMINATION 5-18-79
CONTESTED No
PARTICIPANTS Yates

RECEIVED
FEB 16 1979

Name of Operator

HARVEY E. YATES COMPANY

Address of Operator

P. O. Box 1933, Roswell, New Mexico 88201

Location of Well

UNIT LETTER P 330 FEET FROM THE South LINE AND 330 FEET FROMLINE East LINE, SECTION 22 TOWNSHIP 18S RANGE 35E NMPM.

11. Name and Address of Transporter(s)

Northern Natural Gas Company

Kind of Lease

State, Federal or Fee State

5. State Oil & Gas Lease No.

L-4253

7. Unit Agreement Date

8. Date of Lease Term

State 22

9. Well No.

1

10. Field and Pool, or Wildcat

Und. Queen

12. County

Lea

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NPGA Section No.) 102 (New onshore Reservoir)
2. All Applications must contain: 103 (New onshore Production Well)
 - ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
 - ☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
 - ☒ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
 - ☒ d. AFFIDAVITS OF MAILING OR DELIVERY
3. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)
 - ☐ a. Location Plat
4. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)
 - ☒ a. C-122 Multipoint and one point back pressure test
5. NEW ONSHORE PRODUCTION WELL
 - ☒ a. C-102 WELL LOCATION AND ACREAGE DEDICATION PLAT
 - ☐ b. No. of order authorizing infill program _____
6. STRIPPER GAS
 - ☐ a. C-116 GAS-OIL RATIO TEST
 - ☐ b. PRODUCTION CURVE FOR 12-MONTH PERIOD
 - ☐ c. PRODUCTION CURVE FOR THE 90-DAY PERIOD ON WHICH THE APPLICATION IS BASED

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

George M. Yates
NAME OF APPLICANT (Type or Print)

Title Vice President

Date February 12, 1979

Signed [Signature]

DIVISION USE ONLY

☒ Approved Both

☐ Disapproved

The information contained herein includes
all of the information required to be
filed by the applicant under Subpart B
of Part 274.

[Signature]
EXAMINER

Exhibit B

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
March 3, 1978	Northern Natural Gas Company	

Oil Conservation

Remarks:

1.0 API well number: (If not available, leave blank. 14 digits.)	30-025-25417				
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	102 103 Section of NGPA		4 Category Code		
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	4,460 feet				
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	<div style="display: flex; justify-content: space-between;"> <div> <u>Harvey E. Yates Company</u> Name <u>P. O. Box 1933</u> Street <u>Roswell</u> City </div> <div> <u>NM</u> State </div> <div> <u>88201</u> Zip Code </div> </div>				
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	<u>Undesignated</u> Field Name <u>Lea</u> County				
(b) For OCS wells:	<div style="display: flex; justify-content: space-between;"> <div> Area Name Date of Lease: Mo. Day Yr. </div> <div> Block Number OCS Lease Number </div> </div>				
(c) Name and identification number of this well: (35 letters and digits maximum.)	<u>State 22 #1</u> 				
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	<u>None</u> Oil Conservation				
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	<u>Northern Natural Gas Company</u> Name				
(b) Date of the contract:	<u>13 12 78</u> Mo. Day Yr.				
(c) Estimated annual production:	<u>73</u> MMcf.				
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)	
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	2.078	.135	.---	2.213	
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	2.116	.136	.---	2.252	
9.0 Person responsible for this application:	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Agency Use Only</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Date Received by Juris. Agency</div> <div style="border: 1px solid black; padding: 2px;">Date Received by FERC</div> </div> <div style="width: 50%;"> <div style="display: flex; justify-content: space-between;"> <div> <u>George M. Yates</u> Name <u>[Signature]</u> Signature </div> <div> <u>Vice President</u> Title </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>February 12, 1979</u> Date Application is Completed </div> <div> <u>005/623-6601</u> Phone Number </div> </div> </div> </div>				

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

February 15, 1979

RECEIVED

FEB 16 1979

Oil Conservation

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Richard Stamets

Re: Application Wellhead
Ceiling Price Determination
State 22 #1 Well
Unit P T-18S, R-35E N.M.P.M.
Lea County, New Mexico

Dear Mr. Stamets:

Enclosed please find an original and two copies of the above referenced application. This application has been set for hearing on the February 28th docket.

Exhibits 7 and 8 to the application (location plat and geological data) are still in the process of being prepared, and will be forwarded to you as soon as they are finished. In addition, they will be part of our testimony at hearing. If you have any questions, please advise.

Sincerely,

Robert H. Strand

RHS/lh

Enclosures

BEFORE THE OIL CONSERVATION DIVISION, STATE OF NEW MEXICO

IN THE MATTER OF THE)
)
APPLICATION OF HARVEY E.)
)
YATES COMPANY FOR WELLHEAD)
)
PRICE CEILING DETERMINATION)
)
UNDER THE NATURAL GAS POLICY)
)
ACT OF 1978)

APPLICATION

Comes now Harvey E. Yates Company, a New Mexico Corporation,
hereinafter referred to as "Applicant" and states:

PRIMARY APPLICATION

1. Applicant owns an interest in and is operator of the State 22 #1 well, located 330' FSL and 330' FEL, Section 22, T-18S, R-35E, N.M.P.M., Lea County, New Mexico.
2. Prior to drilling said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) diligent examination of:
 - (1) the real property records maintained in the county where said well is situated.
 - (2) commercially produced ownership and well location maps maintained currently in applicant's office.
 - (3) commercially produced well completion records, covering the Southeast New Mexico area and maintained currently in applicant's office.
 - (b) a title opinion covering the proposed proration unit prepared by an attorney experienced in oil and gas title examination, based on commercially prepared abstracts covering the county records and where applicable, the records of the New Mexico State Office of the Bureau of Land Management or the New Mexico State Land Office. Said abstracts and title opinions are located in applicant's office.
 - (c) application to drill said well with the appropriate governmental agency. Said application was duly approved and copies are on file in applicant's office

and with said agency. A copy of said application is attached hereto as Exhibit 1.

3. During the drilling of said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) a daily drilling log, copies of which are on file in applicant's office. The portion of said log showing the date the producing reservoir was penetrated is attached hereto as Exhibit 2.
 - (b) a directional drilling survey, copies of which are on file in applicant's office and a copy of said survey is attached hereto as Exhibit 3.
4. Subsequent to completion of said well, Applicant caused to be made/prepared pursuant to its officers' instructions:
 - (a) A diligent examination of:
 - (1) production records compiled for the State of New Mexico by the New Mexico Oil Conservation Division. Copies of said records are on file in applicant's office and the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico.
 - (2) examination of royalty and severance tax records to the extent they were examined during the title opinion process referred to above.
 - (b) a completion report which was filed with the appropriate governmental agency. Copies are on file in applicant's office and the offices of said agency, and a copy is attached hereto as Exhibit 4.
 - (c) a well location and acreage dedication plat dedicating the subject proration unit and filed with the appropriate governmental agency. Said dedication is on file in applicant's office and the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico, and a copy is attached hereto as Exhibit 5.
 - (d) a title opinion for division order purposes by an attorney experienced in oil and gas title examination utilizing abstracts as described above.
 - (e) monthly report of operations and production which have been filed with the appropriate governmental agency. Copies are on file in applicant's office and the offices of said agency. A copy of the report showing first commercial production from the subject reservoir is attached hereto as Exhibit 6.
5. Applicant has also caused to be prepared pursuant to its officers' instructions:
 - (a) location plat which locates and identifies the subject well and other wells, data from which is utilized to support this application. Copies of said location plat

are on file in applicant's office and a copy is attached hereto as Exhibit 7.

(b) a summary of geological data supporting this application including the following to the extent reasonably available:

- (1) Well Log Section defining the top and bottom of the reservoir - Exhibit 8 (a)
- (2) Bottom-hole or Surface Pressure Surveys - Exhibit 8 (b)
- (3) Well Potential Tests - Exhibit 8 (c)
- (4) Formation Structure Map - Exhibit 8 (d)
- (5) Subsurface Cross-section Chart - Exhibit 8 (e)

6. The above described are the only records and data reasonably available to Applicant, and there are no other public records maintained which are relevant to this application.
7. Suitable facilities for production and delivery of natural gas from the subject reservoir were in existence on October 23, 1978.
8. On the basis of the above, applicant has concluded that there is substantial evidence to support a determination:
 - (a) that the natural gas for which it seeks a determination is produced from a new onshore reservoir as defined under Section 102 (c)(1)(C) of the Natural Gas Policy Act of 1978.
 - (b) that natural gas was not produced in commercial quantities from said reservoir prior to April 20, 1977.
 - (c) that there were no suitable facilities available to produce and deliver natural gas from the subject well to a pipeline on or before April 20, 1977.
 - (d) that said reservoir was penetrated before April 20, 1977, by an old well from which natural gas or crude oil have been produced in commercial quantities from other reservoirs, however, said reservoir was not considered commercially producible prior to drilling of the subject well.
9. Applicant has no knowledge of any information which is inconsistent with the above stated conclusions.
10. Applicant has prepared and enclosed with this Application, F.E.R.C. Form 121, and (United States Geological Survey Form GS-102) (New Mexico Oil Conservation Division Form C-132) and delivered copies of F.E.R.C. Form 121 (and New Mexico Oil Conservation Division Form C-132) by U.S. Mail, postage prepaid, to all co-lessees, working interest owners, and gas purchasers under the subject well. A list of such co-lessees, working interest owners, and gas purchasers is attached hereto as Exhibit 9.

WHEREFORE, Applicant requests that a determination be made that the natural gas produced from the subject well is from a new on-shore reservoir as defined in §102 (c)(1)(C) of the Natural Gas Policy Act of 1978, and that said gas is entitled to a ceiling price calculated pursuant to §102 (a) and (b) of said Act.

ALTERNATE APPLICATION

Comes now Harvey E. Yates Company, a New Mexico Corporation, and as an alternative to its primary application, states that:

1. Paragraphs 1, 2, 3, and 4 of the foregoing Primary Application are incorporated herein by reference.
2. Applicant has also caused to be prepared pursuant to its officers' instructions:
 - (a) a location plat which locates and identifies the subject well and all other wells within the proration assigned to said well. Said location plat is on file in applicant's offices and a copy is attached hereto as Exhibit 10.
3. The above described are the only records reasonably available to Applicant and there are no other public records maintained in the State of New Mexico which are relevant to this application.
4. On the basis of the above, Applicant has concluded that:
 - (a) the surface drilling of the well for which he seeks a determination was begun on or after February 19, 1977.
 - (b) the well satisfies any applicable federal or state well-spacing requirements; and that the well is not within a proration unit:
 - (i) which was in existence at the time the surface drilling of the well began;
 - (ii) which was applicable to the reservoir from which natural gas is produced; and,
 - (iii) which applied to any other well which either produced natural gas in commercial quantities or the surface drilling of which began on or after February 19, 1977, and was thereafter capable of producing natural gas in commercial quantities; and
 - (c) there is substantial evidence to support a determination that gas produced from said well is from a new onshore production well as defined under Section 103 (c) of the Natural Gas Policy Act of 1978.

6. Applicant has no knowledge of any information which is inconsistent with the above stated conclusions.
7. Applicant has prepared and enclosed with this application F.E.R.C. Form 121, and (United States Geological Survey Form GS-103) (New Mexico Oil Conservation Division Form C-132) and delivered copies of F.E.R.C. Form 121 (and New Mexico Oil Conservation Division Form C-132) by U. S. Mail, postage prepaid, to all co-lessees, working interest owners, and gas purchasers. A list of such co-lessees, working interest owners and gas purchasers is attached hereto as Exhibit 9.

WHEREFORE, Applicant requests that a determination be made that the natural gas produced from the subject well is from a new onshore production well as defined in §103 (c) of the Natural Gas Policy Act of 1978, and that said gas is entitled to a ceiling price calculated pursuant to §103 (a) and (b) of said Act.

DATED this 12 day of February, 1979.

HARVEY E. YATES COMPANY

By: [Signature]
George M. Yates

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

VERIFICATION

George M. Yates, being duly sworn upon his oath, deposes and states that he is a Vice President of Harvey E. Yates Company, the applicant herein, that he is authorized on behalf of said applicant to make the statements contained herein, and that said statements and Exhibits herewith, are true and correct to the best of his information, knowledge and belief.

[Signature]
George M. Yates

Subscribed and sworn to before me this 12 day of February, 1979.

My Commission Expires:

July 27, 1980

[Signature]
Notary Public

INDEX OF EXHIBITS

1. Application to Drill
2. Daily Drilling Log (Reservoir Penetration)
3. Directional Drilling Survey
4. Completion Report
5. Well Location and Acreage Dedication Plat
6. Operations and Production Report (First Commercial Production from Reservoir)
7. Well Location Plat (Reservoir Definition)
8. Geological Data
 - a. Well Log Sections
 - b. Pressure Surveys
 - c. Well Potential Tests
 - d. Structure Map
 - e. Cross-Section
 - f. Gas Analysis Data
9. List of Co-Lessees, Working Interest Owners, and Gas Purchaser
10. Well Location Plat (Proration Unit)

EXHIBIT 1

Application to Drill

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FCC <input type="checkbox"/>
5. State Oil & Gas Lease No.
L-4253

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Unit Agreement No.	
b. Type of Well	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	8. Firm or Lease Name	State "22"
2. Name of Operator	Honeysuckle Exploration Corporation	9. Well No.	1
3. Address of Operator	1610 North J	10. Field and Pool, or Wildcat	Wildcat
4. Location of Well	UNIT LETTER P LOCATED 330 FEET FROM THE South LINE	17. County	Lea
5. Location of Well	330 FEET FROM THE East LINE OF SEC. 22 TWP. 18S RGE. 35E NMAP	19. Proposed Depth	5000'
6. Location of Well		19A. Formation	Queen-Penrose
6. Location of Well		20. Rotary or C.T.	Rotary
11. Location (Show whether DE, RI, etc.)	3866.3 GL	21A. Kind & Status Plug. Bond	606B5590 - \$10,000
11. Location (Show whether DE, RI, etc.)		21B. Drilling Contractor	M G F Drilling Co Inc.
11. Location (Show whether DE, RI, etc.)		22. Approx. Date Work will start	December '76

Travelers Indemnity Co. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24#	400'	200 sx	Circulated
7 7/8	4 1/2	11.60#	5000'	875 sx	See below

Will cement 4 1/2" production string as follows:

1st Stage - from T.D. (5000') to bottom of salt formation (3000') with 550 sx of 50-50 Poz Class "C" w/6# salt, 1/2 of 1% CFR2 & 1/4# Flocele/sx.

2nd Stage - DV tool @ 1800' (base of anhydrite) & 2 cement baskets below DV tool. Cement back to surface with 325 sx Halliburton Lite w/9# salt & 1/4# Flocele/sx.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED

3-21-77

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Neal A. Taylor Title Agent Date 12/17/76

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 1 DATE DEC 21 1976

CONDITIONS OF APPROVAL, IF ANY:

EXHIBIT 2

Daily Drilling Log (Reservoir Penetration)

- 3/15/77 Trip to pick up bottom hole assembly. TD-10,037' in Lime. Mud visc. - 39. Height - 8.6. Water loss - 13.9. Filter cake - 2/32. Chlorides: 21,000. 1.9% KCL. Oil content - 3%. Going in with Bit #12 J77 @ 10,087'. 5 hrs. jarring fish. Fish came loose @ 10AM (14th); 9 1/4 hrs. on trips; 1 1/2 hrs. repair; 2 1/4 hrs. washed 16 joints to bottom; 4 hrs. circulating and conditioning mud; 2 hrs. picking up bottom hole assembly. Getting to bottom 8AM 3/15. Prepared to drill ahead.
- 3/16/77 Drilling @ 10,210 in Lime and Chert. Mud visc.-38. Wt.-8.7. Water loss - 10.2. Filter cake: 2/32. Chlorides: 25,000. 1.8% KCL. Bit # 12J77 in @ 10,087'. Made 123' in 20 hrs. 2 1/4 hrs. on trip; 1 1/4 hrs. washed 60' to bottom; 1/4 hr. service rig; 20 hrs. drilling. 123' progress.
- 3/17/77 Drilling @ 10,340'. Lime and Chert. Mud visc.-41; weight-9#; water loss-12; filter cake-1/32. 1.9% KCL. Ch.: 25,000. Bit #12J77 in @ 10,087'. Made 353' in 43 3/4 hrs. 23 3/4 hrs. drlg. 1/4 hr. work BOP. 130' progress.
- 3/18/77 Drilling @ 10,485' in Lime and Chert. Mud visc.-40; wt.-8.9; water loss-8.8; filter cake-1/32. pH11; Chl.-27,000. 2% KCL. Bit #12J77 in @ 10,087'. Made 398' in 67 1/2 hrs. 23 3/4 hrs. drilling; 1/4 hr. work BOP. 145' progress.
- 3/19/77 Drilling @ 10,677' in Lime and Chert. Mud visc.-40; wt.-9#; pH10.5. Water loss - 7.5; Filter cake - 1/32. Chlorides: 31,000. 2.6% KCL. Bit #12J77 in @ 10,087'. Made 590' in 91 1/4 hrs. 23 3/4 hrs. drilling; 1/4 hr. work BOP. 192' progress.
- 3/20/77 DST #1. TD - 10,701'. Mud visc.-45; weight - 8.9#; pH11. Water loss-5.9. Filter cake - 1/32. Chlorides: 30,000. 2.6% KCL. Totco @ 10,700 @ 1°. Bit # 12J77 in @ 10,087'; out @ 10,701'. Made 614' in 96 1/4 hrs. 5 hrs. drilling; 8 3/4 hrs. trips; 5 1/4 hrs. circulating. 2 hrs. pick up tool; 3 hrs. testing. 24' progress.
- [ST #1. Testing intervals: 10,570-10,701'. Opened tool @ 2:15 AM 3/20/77 with fair blow. Increased rapidly. At end of 60 min., pressure was 1250 PSIG on 1/4" choke. Est. rate - 1.600 MCF/d. Initial SI period-180 min. Re-opened on 3/8" choke. In 15 min., pressure was 500 PSIG and still building. Est. rate - 1150 MCF/d. 15 min. into final flow. period, pressure was 920 PSIG on 3/8" choke. Est. flow. rate - 32 MCF/d and still building. Final SI period - 240 min. Reversed out approximately 10 BBL condensate; no water. BHT - 152°F. Sampler: 1500 PSIG; 6 cf gas: trace of condensate; no water. Pressures:
- Initial Hydrostatic: 5070 PSIG
 - Initial Flow. Press: 1013 PSIG, increasing to 2147 PSIG
 - Initial SI Press: 4537 PSIG
 - Final Flow. Press: 1056 PSIG, increasing to 1891 PSIG
 - Final SI Press: 4537 PSIG
 - Final Hydrostatic: 5070 PSIG
 - BHT: 152° F
- 3/21/77 Drilling @ 10,755' in Shale and Sand. Mud visc. 45; weight-9#; water loss - 8; Filter cake - 1/32; pH8; Chlorides: 30,000. 2.6% KCL. Bit # 13 FP72 in @ 10,701'. Made 54' in 8 hrs. 6 1/2 hrs. on trips; 6 hrs. on DST #1. Test. from 10,570' to 10,701'. 2 hrs. lay tool down. 1 1/2 hrs. wash 120' and circulate gas off. 8 hrs. drilling. 54' progress.
- 3/22/77 Drilling @ 10,900' in Shale and Sand. Mud Visc.-40; Weight-9#; Water loss-6.3; Filter cake-1/32. pH11. 2.6% KCL. Chlorides: 30,000. Bit #13 FP72 in @ 10,701'. Made 199' in 30 1/4 hrs. 22 1/4 hrs. drilling; 1 hr. trip for hole in drill pipe; 3/4 hr. repair on pump. 145' progress.

EXHIBIT 3

Directional Drilling Survey

DRILLING CORPORATION

P.O. Box 4364 • 1915 26th St.

Midland, Texas 79701

HONEYSUCKLE EXPLORATION CORPORATION

STATE 22-1

RECORD OF INCLINATION


Measured Depth

420
1000
1507
2231
2633
3219
3798
4325
4947

Angle of Inclination

1/2
3/4
1
1
1/2
1
1 1/2
2 1/4
2


Joe Field - Secretary-Treasurer


Leon Blaschke - Notary Public
in and for the County of Midland
Midland, Texas.

Date: 4-14-77

EXHIBIT 4
Completion Report

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Form C-105
Revised 1-1-65

10. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
11. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		5. State Oil & Gas Lease No. L-4253	
2. Name of Operator Honeysuckle Exploration Corporation		7. Unit Agreement Name	
3. Address of Operator 1610 North J, Midland, Texas 79701		8. Firm or Lease Name State 22	
4. Location of Well UNIT LETTER P LOCATED 330 FEET FROM THE South LINE AND 330 FEET FROM		9. Well No. 1	
THE East LINE OF SEC. 22 TWP. 18S RGE. 35E NMPM		10. Field and Pool, or Wildcat Undesignated	
15. Date Spudded 2/15/77	16. Date T.D. Reached 3/6/77	17. Date Compl. (Ready to Prod.) 4/14/77	18. Elevations (DF, RKB, RT, GR, etc.) 3877' KB
19. Elev. Casinghead 3866'	20. Total Depth 4960'		
21. Plug Back T.D. 4511'		22. If Multiple Compl., How Many	23. Intervals Drilled By X
24. Producing Interval(s), of this completion - Top, Bottom, Name 4454' - 4460' in Queens			25. Was Directional Survey Made Yes
26. Type Electric and Other Logs Run Sidewall Neutron & Dual Laterolog			27. Was Well Cored Yes
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE
8 5/8	28#	420'	12 1/4"
4 1/2	10.50#	4552'	7 7/8"
			CEMENTING RECORD
			300 sz
			1st stage - 525 sz
			2nd stage - 350 sz
			AMOUNT PULLED
			Circ.
			Circ.
29. LINER RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT
			SCREEN
30. TUBING RECORD			
SIZE	DEPTH SET	PACKER SET	
2 3/8"	4404'	4409'	
31. Perforation Record (Interval, size and number) 4454' - 4460' w/2 jet shots/ft - 12 holes			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED	
---		-----	
33. PRODUCTION			
Date First Production 4/13/77	Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Prod.
Date of Test 4/14/77	Hours Tested 24	Choke Size 11/64"	Prod'n. For Test Period
Flow Tubing Press. 210	Casing Pressure Pkr.	Calculated 24-Hour Rate 91.66	Oil - Bbl. 91.66
			Gas - MCF 56.3
			Water - Bbl. 0
			Gas - Oil Ratio 615/1
			Oil Gravity - API (Corr.) 35.4
34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented until contract signed			Test Witnessed By Robbie Robbins
35. List of Attachments 1 Sidewall Neutron & 1 Dual Laterolog, 2 notarized copies of deviations & 6 copies Form C-			
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.			
SIGNED Neal A. Taylor		TITLE Agent	
		DATE 4/14/77	

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. This form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Southeastern New Mexico

T. Anhy	1720	T. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt	1910	T. Strawn		T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt	3020	T. Atoka		T. Pictured Cliffs		T. Penn. "D"	
T. Yates	3183	T. Missa		T. Cliff House		T. Leadville	
T. 7 Rivers		T. Devonian		T. Menefee		T. Madison	
T. Queen	4627	T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg		T. Montoya		T. Mancos		T. McCracken	
T. San Andres		T. Simpson		T. Gallup		T. Ignacio Qizte	
T. Glorieta		T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blaine		T. Gr. Wash		T. Morrison		T.	
T. Tubb		T. Granite		T. Todilto		T.	
T. Drinkard		T. Delaware Sand		T. Entrada		T.	
T. Abo		T. Bone Springs		T. Wingate		T.	
T. Wolfcamp		T.		T. Chinle		T.	
T. Penn.		T.		T. Permian		T.	
T. Cisco (Bough C)		T.		T. Penn. "A"		T.	

Northwestern New Mexico

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
Surf	1720	1720	Red beds				
1720	3020	1300	Anhy. & salt				
3020	4427	1407	Anhy., Dolo, Sand, Shale				
4427	4480	53	Red S, Gry Ss, Anhy. & Shale				
4480	4960	480	Dolo, Anhy, Snd & Shale				

EXHIBIT 5

Well Location and Acreage Dedication Plat

MEXICAN OIL CONSERVATION BOARD
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes Form No. 128
Revised 1-1-68

All distances must be from the outer hole unless otherwise specified.

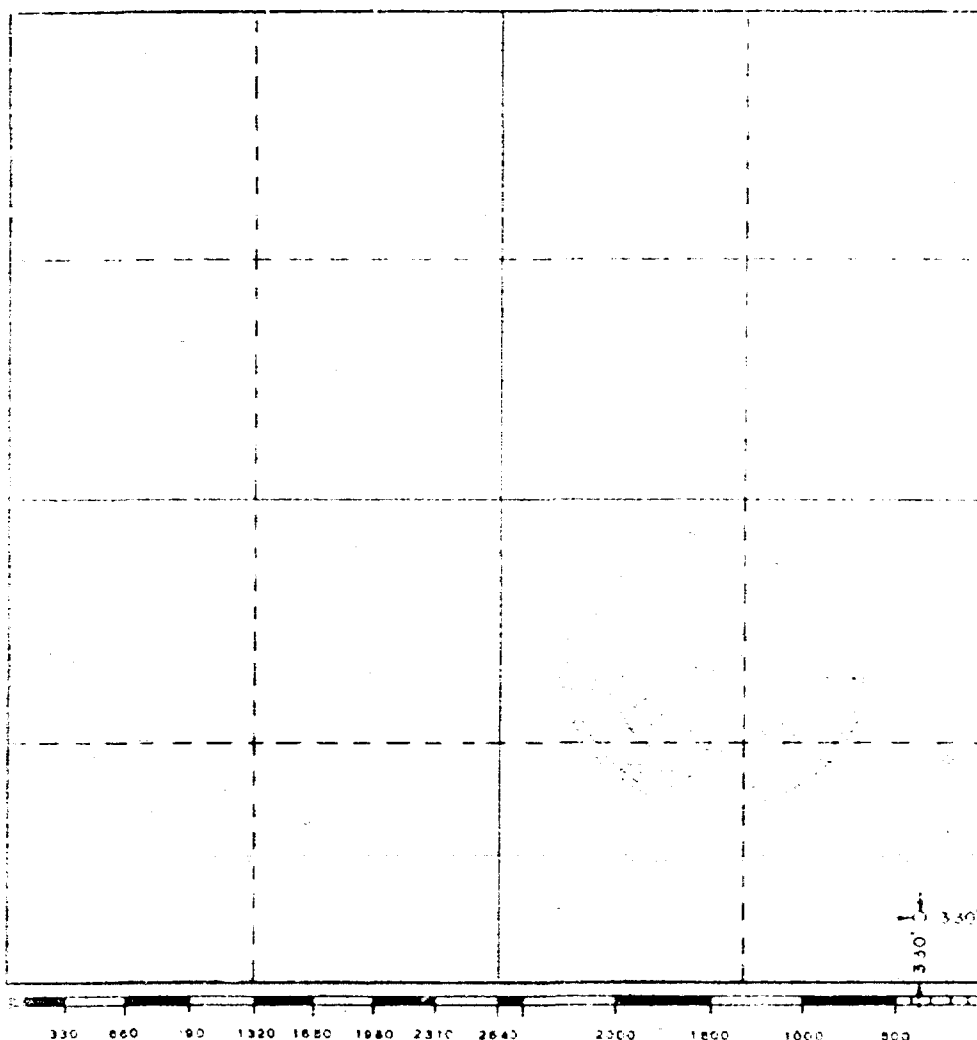
HONEYSUCKLE EXPLORATION CORP.				State #22		1	
P	22	18 South	35 East	1st			
330		feet from the south	330	feet from the east			
3866.3							

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Dec. 9, 1976

Registered Professional Engineer
in the State of Texas

John W. West
676

EXHIBIT 6

Operations and Production Report
(First Commercial Production)

Commercial production of gas from the State 22 #1 Well
had not commenced as of the date of this Application.

EXHIBIT 7

Well Location Plat (Reservoir Definition)

EXHIBIT 8

Geological Data

- a. Well Log Sections
- b. Pressure Surveys
- c. Well Potential
- d. Structure Map
- e. Cross-Section
- f. Gas Analysis Data

EXHIBIT 9

List of CO-Lessees, Working Interest Owners, and Gas Purchaser

Co-lessees and/or Working Interest Owners

Harvey E. Yates, Sr.
James H. Yates
Fred G. Yates, Inc.
Explorers Petroleum Corp.
J. E. Cieszinski
P. O. Box 1933
Roswell, New Mexico 88201

Mrs. Louise D. Yates
Box 379
Artesia, New Mexico 88210

Coronado Exploration Corporation
Yates Exploration, Inc.
1007 Marquette, NW
Albuquerque, New Mexico 87102

Mr. Carl W. Swan
1101 Oil Center
2601 NW Expressway
Oklahoma City, Oklahoma 73116

Mr. Chester Armbruster
1212 Oil Center
2601 NW Expressway
Oklahoma City, Oklahoma 73116

Mr. James L. Bruin
P. O. Box 550
Roswell, New Mexico 88201

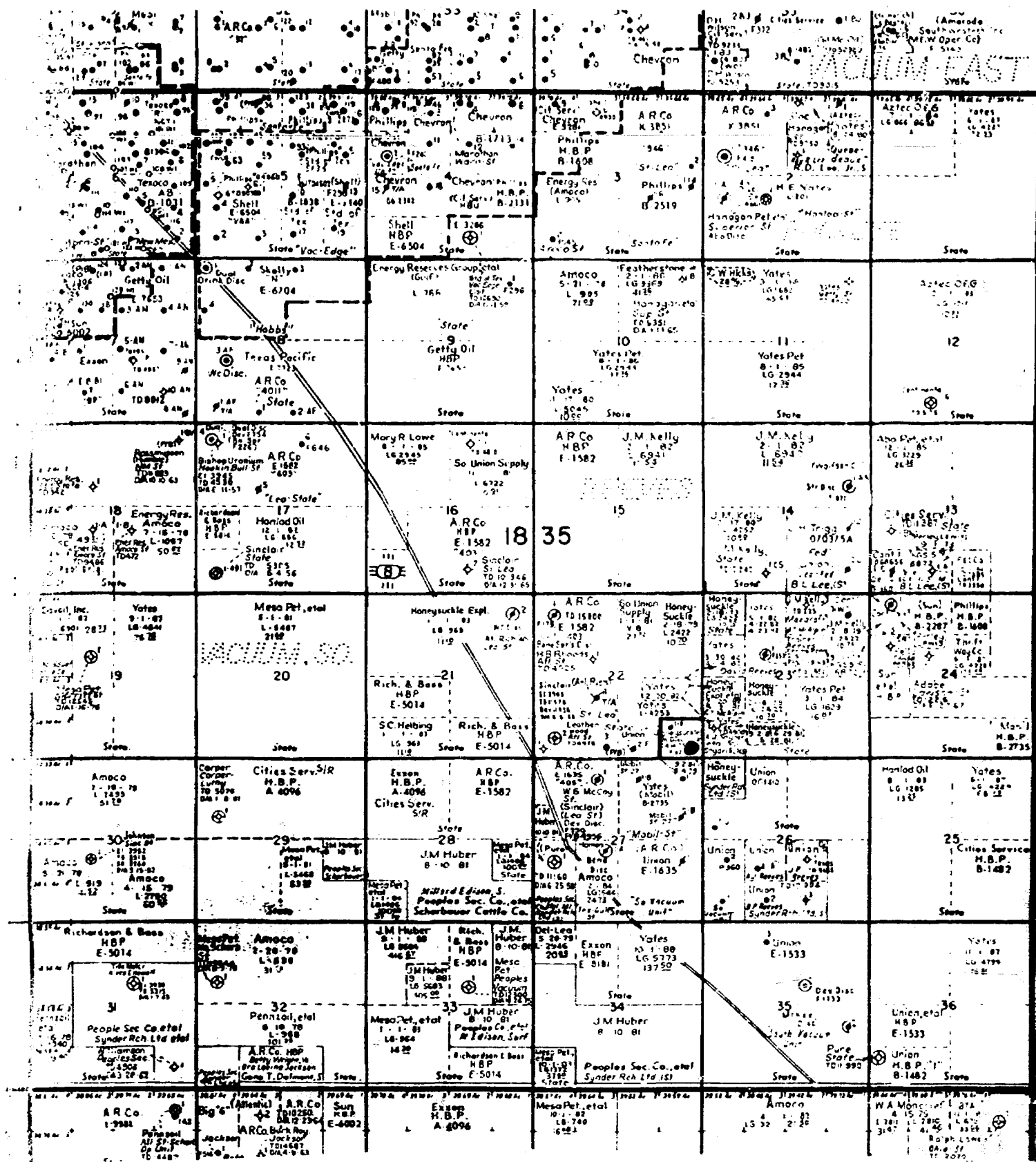
Visa Exploration Company
490 Colorado State Bank Building
Denver, Colorado 80202

Gas Purchaser

Northern Natural Gas Company
2223 Dodge St.
Omaha, Nebraska 68102

EXHIBIT 10

Well Location Plat (Proration Unit)





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Wellhead price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the section(s) of the Natural Gas Policy Act of 1978 indicated below. If your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION State 22 # 1 P-22-18S-35E

SECTION(S) APPLIED FOR 102, 103

DATE APPLICATION RECEIVED 2-16-79

APPLICATION INCOMPLETE Complete

Sincerely,

R. T. Starn

DATE: 5-18-79

Affidavit stating that Form C-132 and FERC Form 121 have been furnished to working interest owners and parties to gas purchase contract must be submitted.
OK

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. 6480
Order No. R-5984

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 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, Harvey E. Yates Company, seeks a new onshore reservoir or, in the alternative, a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

(3) That said State 22 Well No. 1 was spudded on December 20, 1976, and was completed as a wildcat Queen oil well from perforations at 4450 feet to 4460 feet on April 14, 1977.

(4) That at the time of completion suitable facilities for the production and transportation of gas from said well were not available.

(5) That said well was not connected to a gas transmission facility prior to October 23, 1978.

(6) That while this Queen interval was penetrated by a number of other wells within 2 1/2 miles of said State 22 Well

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
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FINDS:

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- (2) That the applicant, Harvey E. Yates Company, seeks a new onshore reservoir or, in the alternative, a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- (3) That said State 22 Well No. 1 was spudded on December 20, 1976, and was completed as a wildcat Queen oil well from perforations at 4450 feet to 4460 feet on April 14, 1977.
- (4) That at the time of completion suitable facilities for the production and transportation of gas from said well were not available.
- (5) That said well was not connected to a gas transmission facility prior to October 23, 1978.
- (6) That while this Queen interval was penetrated by a number of other wells within 2 1/2 miles of said State 22 Well

-2-

Case No. 6480
Order No. R-5984

No. 1, no other well had been completed in, produced from, or could have produced from, said interval at the time of its completion.

(7) That the geologic evidence presented established that the Queen productive interval in said well is a shallow water sand bar characterized by limited areal extent.

(8) That the weight of the evidence presented establishes that said State 22 Well No. 1 has encountered a new onshore reservoir from which natural gas was not produced in commercial quantities before April 20, 1977.

(9) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(10) That said portion of the application should be dismissed.

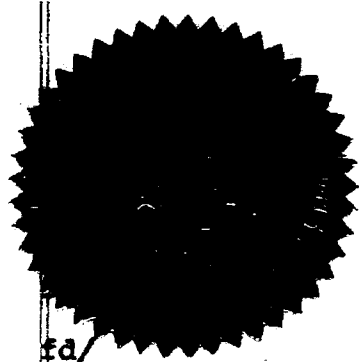
IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said State 22 Well No. 1 is hereby dismissed.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

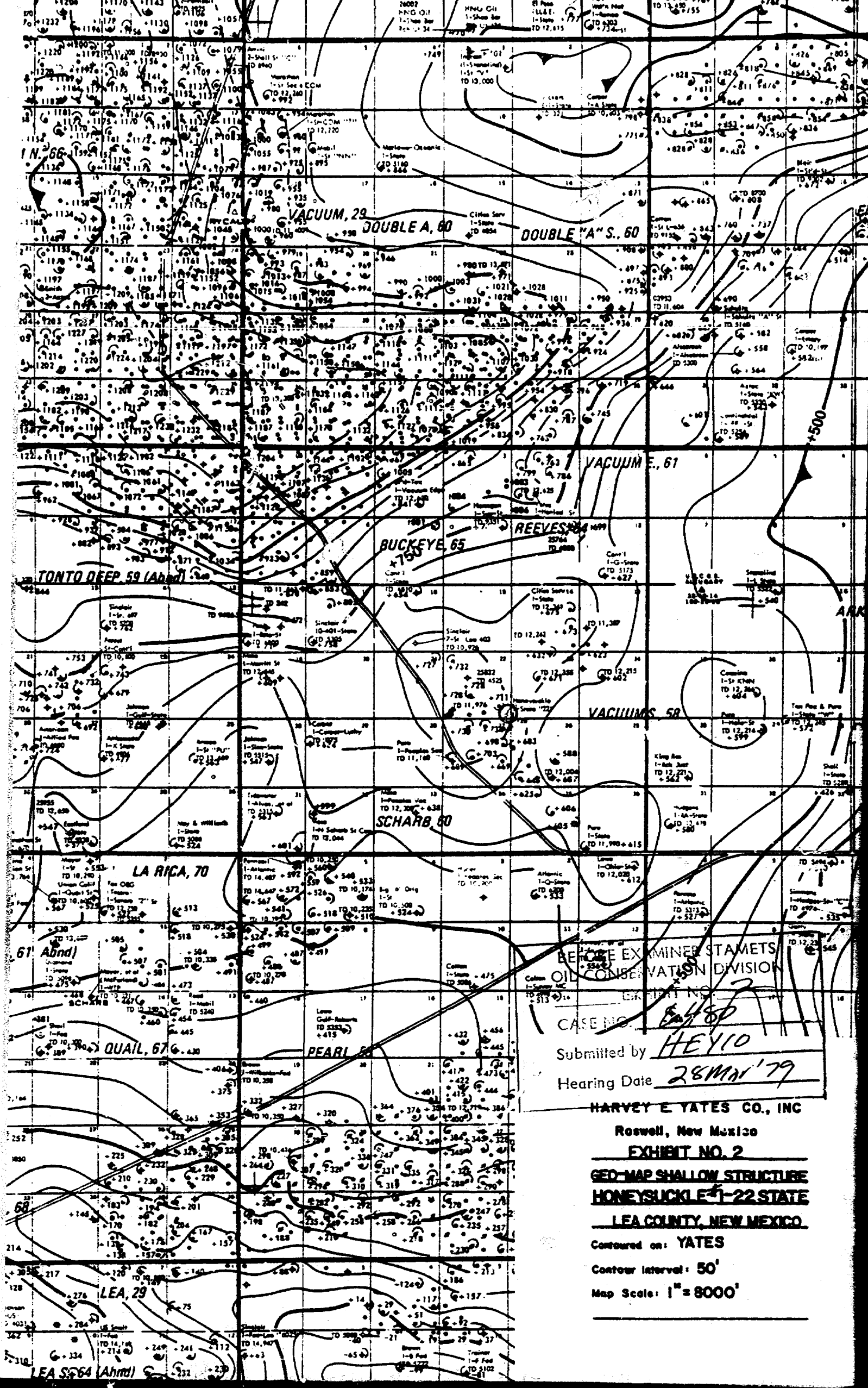
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/



State 22

C-101 filed 12-20-76 Approved 12-21-76

C-103 spud 6 pm 2-15-77

C-104 & C-105 comp ready to produce oil well 4-14-77
Gas not connected

Notice of gas connection 10/23/78

Stam

Dockets Nos. 14-79 and 15-79 are tentatively set for hearing on April 11 and 18, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 28, 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 6500: Application of Gulf Oil Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Central Drinkard Unit located in Sections 28, 29, 32 and 33, Township 21 South, Range 37 East, Lea County, New Mexico, which could not be so drained by the existing wells.
- CASE 6501: Application of Delta Drilling Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the Williamson State Unit Well No. 1, the surface location of which is 660 feet from the North and West lines of Section 30, Township 16 South, Range 33 East, Lea County, New Mexico, and directionally drill said well in such a manner as to bottom it in the Morrow formation within 100 feet of a point 1980 feet from the North and West lines of said Section 30, the N/2 of the section to be dedicated to the well.
- CASE 6502: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves 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 6503: Application of Sundance Oil Company for salt water disposal, Roosevelt 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 4207 feet to 4228 feet in its Cone Federal Well No. 8 located in Unit P of Section 31, Township 7 South, Range 32 East, Tomahawk-San Andres Pool, Roosevelt County, New Mexico.
- CASE 6504: Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area No. 2, comprising 23,009 acres, more or less, of Federal and State lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6505: Application of Doyle Hartman for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool in Lea County, New Mexico, to include the lowermost 200 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the following described lands in Township 23 South, Range 36 East: Section 35: SW/4, S/2 SE/4, and NW/4 SE/4; Section 36: W/2 SW/4; and in Township 24 South, Range 36 East: Section 1: NW/4, S/2 NE/4, and NW/4 NE/4; Section 2: W/2.
- CASE 6506: Application of Bedford, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit C of Section 8, Township 26 North, Range 12 West, WAW-Fruitland Pictured Cliffs Pool, San Juan 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.
- CASE 6507: Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6508: Application of Harvey E. Yates Company for an unorthodox well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 62.75-acre non-standard gas proration unit comprising Lots 1 and 2 of Section 19, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to its Depco Federal Well No. 1 to be located 330 feet from the North line and 660 feet from the West line of said Section 19.

CASE 6509: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new gas pool in the Yates formation for its Depco Federal Well No. 1 located in Unit D of Section 19, Township 18 South, Range 29 East, Eddy County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre gas well spacing.

CASE 6480: (Continued from February 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

CASE 6482: (Continued from February 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

CASE 6072: (Continued from March 14, 1979, Examiner Hearing)

In the matter of Case 6072 being reopened pursuant to the provisions of Order No. R-5643 which order created the Travis-Upper Pennsylvanian Pool, Eddy County, New Mexico, with provisions for 80-acre spacing. All interested parties may appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

CASE 6492: (Continued from March 14, 1979, Examiner Hearing)

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 San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6510: 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 for the Wolfcamp through Mississippian formations of its Rio Pecos Federal "KO" Well No. 1, to be located 660 feet from the North line and 1300 feet from the East line of Section 28, Township 18 South, Range 27 East, Eddy County, New Mexico, the E/2 of said Section 28 to be dedicated to the well.

CASE 6511: Application of Yates Petroleum Corporation for a dual completion and downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Tom Brown "GO" Com. Well No. 1 located in Unit C of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, to produce gas from the Lower Morrow formation through tubing and to commingle and produce the Strawn and Upper Morrow zones in the annulus of said well.

CASE 6512: 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 Hilliard "BF" Federal Well No. 2, to be located 330 feet from the North line and 2310 feet from the West line of Section 14, Township 21 South, Range 22 East, to test the Wolfcamp through Mississippian formations, Eddy County, New Mexico, the W/2 of said Section 14 to be dedicated to the well.

CASE 6513: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Stebbins CO Fed. Well No. 1 located in Unit B of Section 20, Township 20 South, Range 29 East, East Burton Flats Field, Eddy County, New Mexico.

CASE 6514: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of North Burton Flats-Atoka and East Burton Flats-Morrow production in the wellbore of its Williamson BC Fed. Well No. 4 located in Unit K of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico.

CASE 6515: Application of Southland Royalty Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 31, Township 31 North, Range 11 West, San Juan County, New Mexico, to be dedicated to its Grenier Well No. 23 drilled at a location 1190 feet from the South and West lines of said Section 31. 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 6516: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Maduro Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Township 19 South, Range 33 East, Lea County, New Mexico.

CASE 6452: (Continued and Readadvertised)

Application of Burleson & Huff for a non-standard gas proration unit and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 25, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant further 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 in Unit L, of Section 25 is necessary to effectively and efficiently drain that portion of the previously approved 160-acre proration unit which cannot be drained by the old unit well.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company) CASE
for an NGPA determination, Lea County,) 6480
New Mexico.)

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 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
308 Plaza Blanca (SSE) 411-4463
Santa Fe, New Mexico 87501

MR. STAMETS: We'll call next Case 6480.

MS. TESCHENDORF: Case 6480, application of
Harvey E. Yates Company for an NGPA determination, Lea County,
New Mexico.

The applicant in this case has requested
that the case be continued to the March 28th hearing.

MR. STAMETS: Case 6480 will be so continued.

(Hearing concluded)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (S.E.) 471-4462
Santa Fe, New Mexico 87501

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

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11 Sally W. Boyd, C.S.R.
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2028 Plaza Alamosa (906) 471-2422
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the hearing of Case No. 6482
heard by me on 7-7-8 1979.
Richard A. [Signature], Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company) CASE
for an NGPA determination, Lea County,) 6480
New Mexico.)

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 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-8483
Santa Fe, New Mexico 87501

MR. STAMETS: We'll call next Case 6480.

MS. TESCHENDORF: Case 6480, application of
Harvey E. Yates Company for an NGPA determination, Lea County,
New Mexico.

The applicant in this case has requested
that the case be continued to the March 28th hearing.

MR. STAMETS: Case 6480 will be so continued.

(Hearing concluded)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3024 Plaza Blanca, Suite 201, Santa Fe, New Mexico 87505

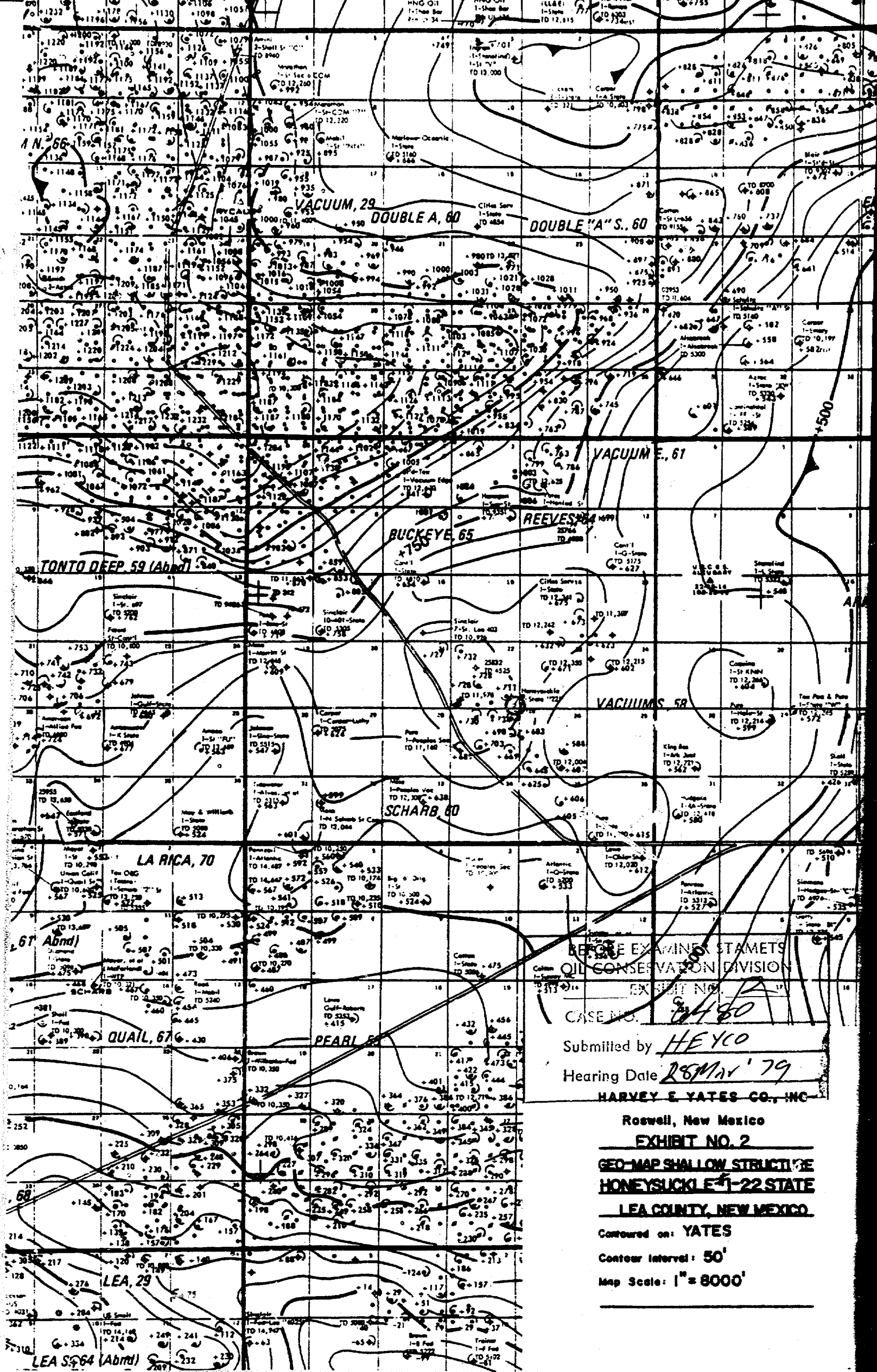
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (88) 471-2462
Santa Fe, New Mexico 87501

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
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete and correct transcript of the hearing in
the Ex. no. 2-28 1979
heard by Richard L. [Signature] Examiner
Oil Conservation Division
Oil Conservation Division



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 480

Submitted by HEYCO

Hearing Date 28 May '79

HARVEY E. YATES CO., INC.

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE
HONEYSUCKLE 1-22 STATE

LEA COUNTY, NEW MEXICO

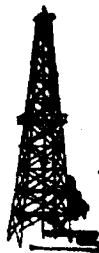
Contoured on: YATES

Contour Interval: 50'

Map Scale: 1" = 8000'

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

March 13, 1979

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

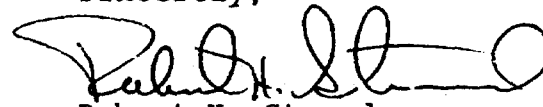
Attention: Mr. Richard Stamets

Re: State 22 #1
NGPA Application
Docket #6480

Dear Dick:

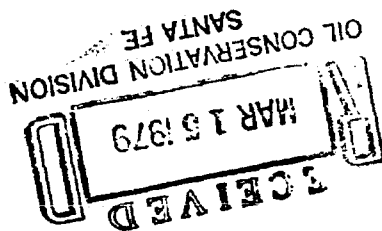
Enclosed are geological exhibits to be filed with the Application in the above referenced case which was submitted to you previously. This case has been set for examiner hearing on March 28, 1979.

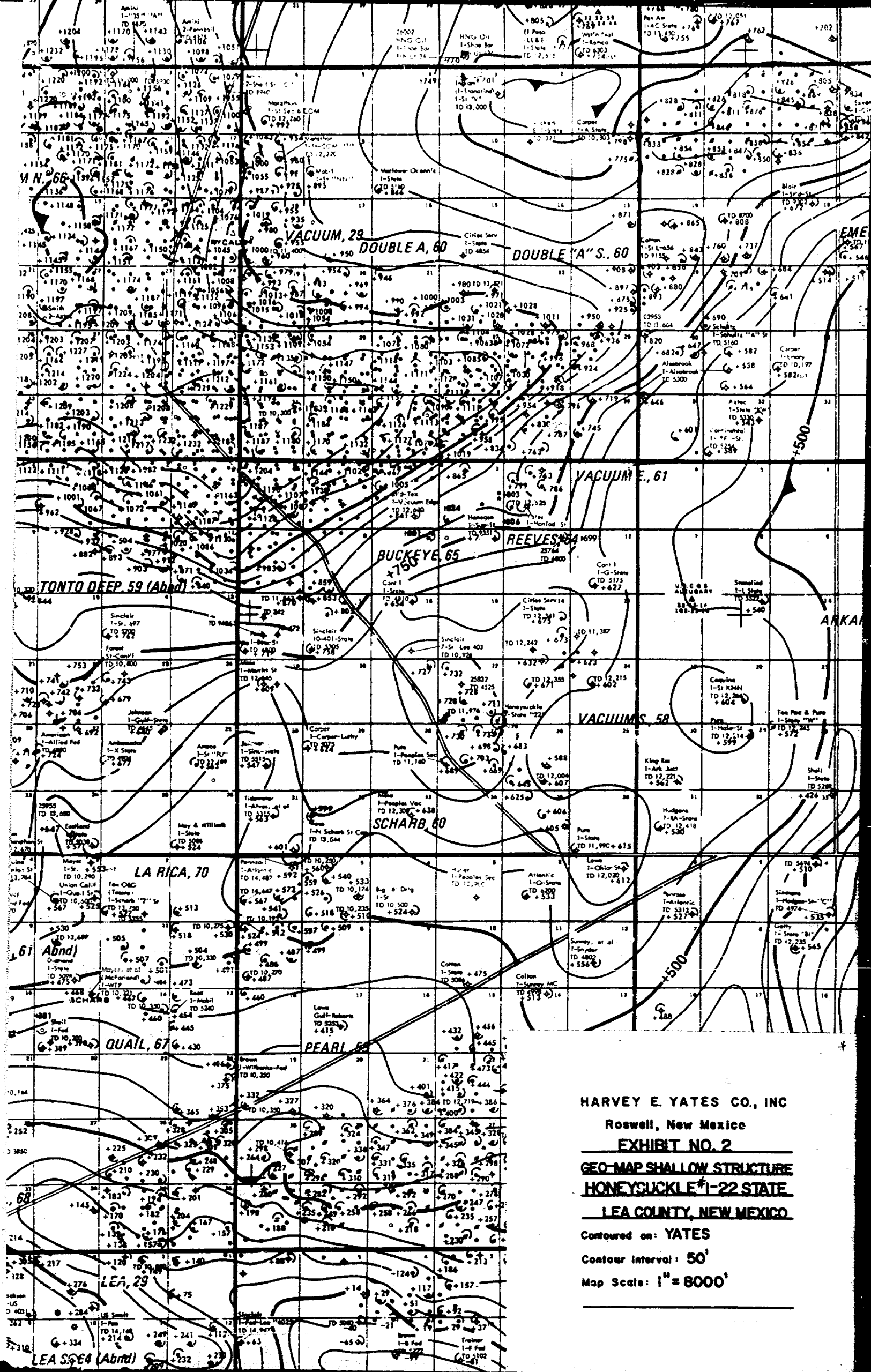
Sincerely,


Robert H. Strand

RHS/lh

Enclosure





HARVEY E. YATES CO., INC

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE

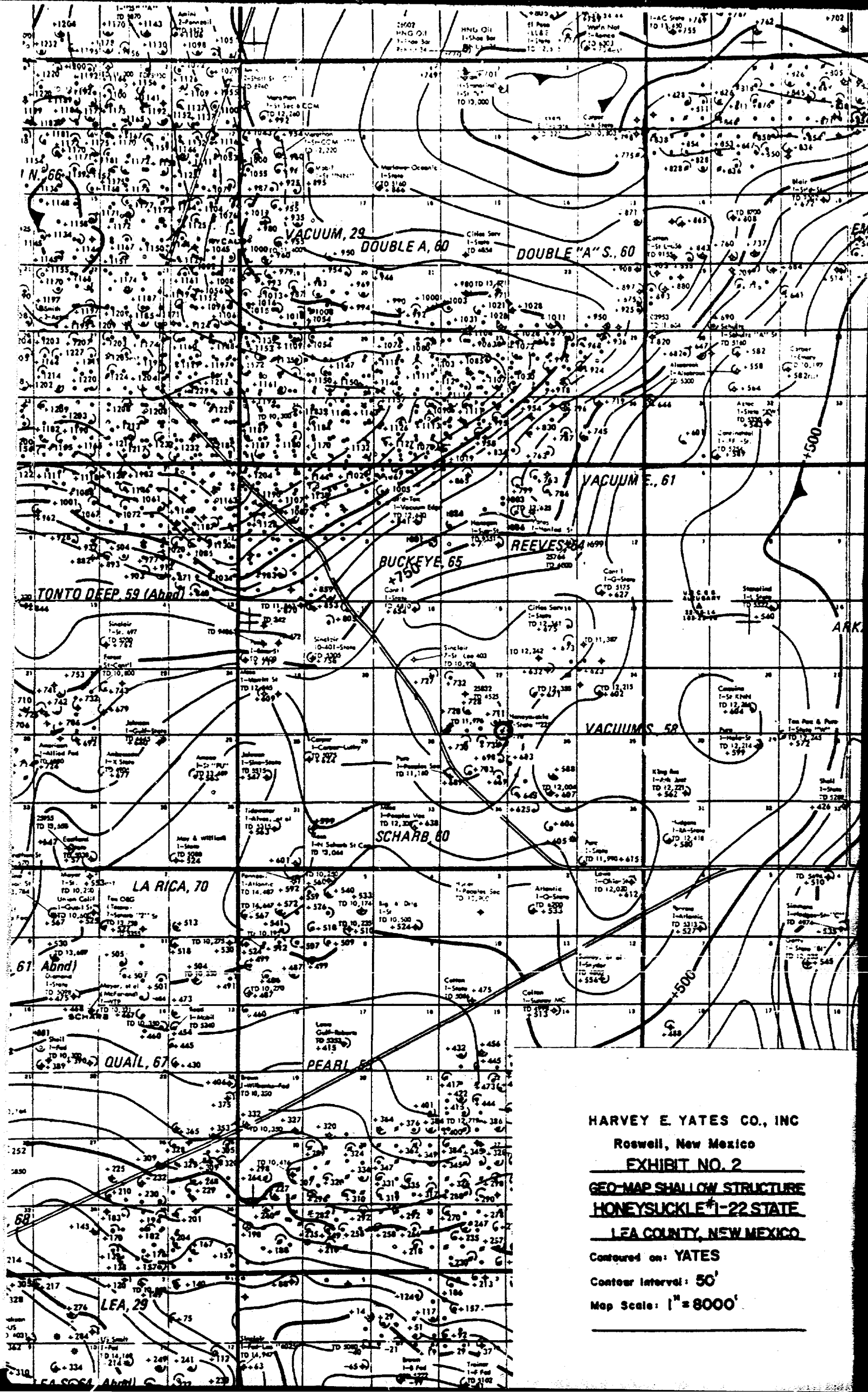
HONEY SUCKLE 1-22 STATE

LEA COUNTY, NEW MEXICO

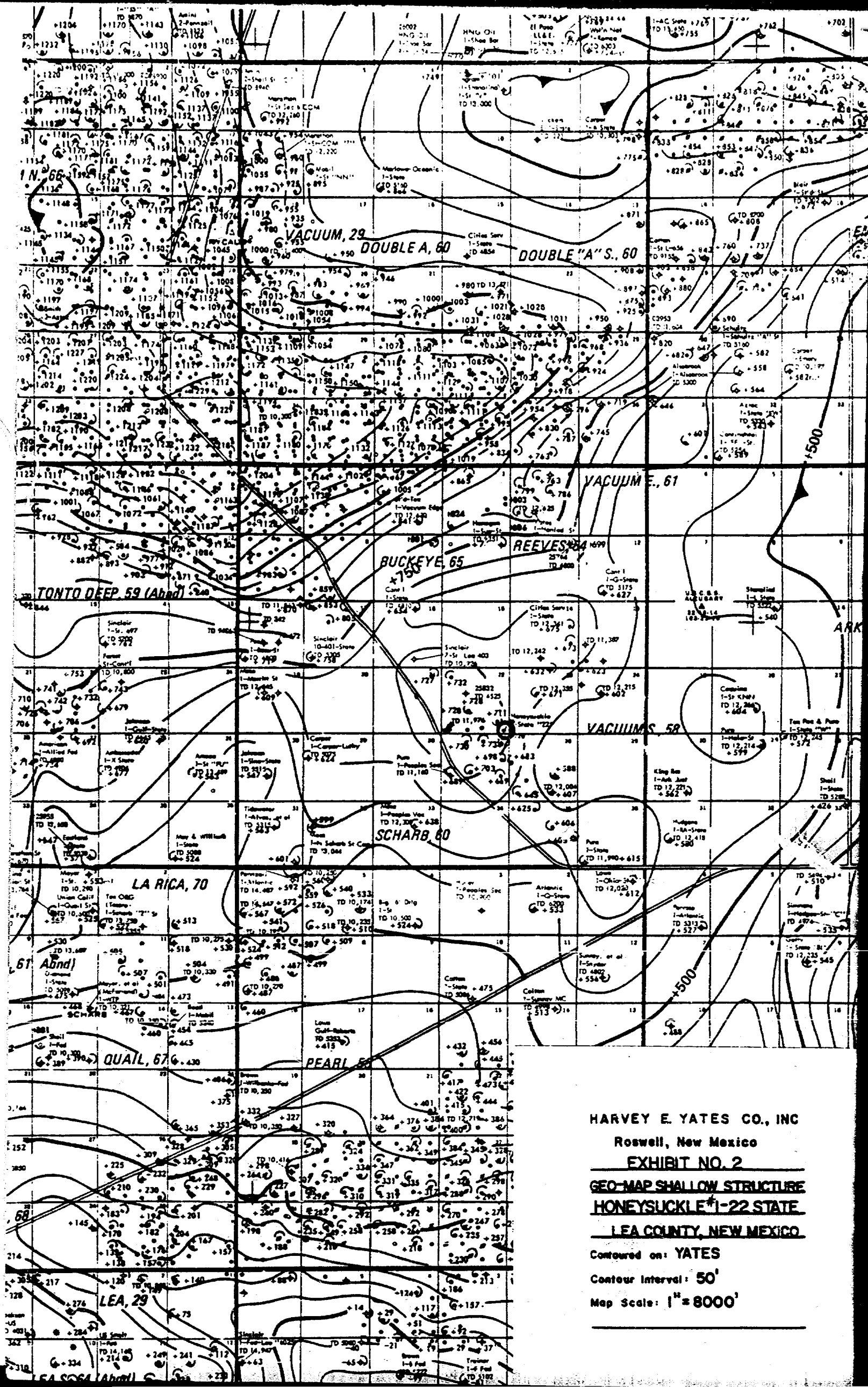
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Contour Interval: 50'

Map Scale: 1" = 8000'



HARVEY E. YATES CO., INC
 Roswell, New Mexico
 EXHIBIT NO. 2
 GEO-MAP SHALLOW STRUCTURE
 HONEYSUCKLE 1-22 STATE
 LEA COUNTY, NEW MEXICO
 Contoured on: YATES
 Contour Interval: 50'
 Map Scale: 1" = 8000'



HARVEY E. YATES CO., INC

Roswell, New Mexico

EXHIBIT NO. 2

GEO-MAP SHALLOW STRUCTURE

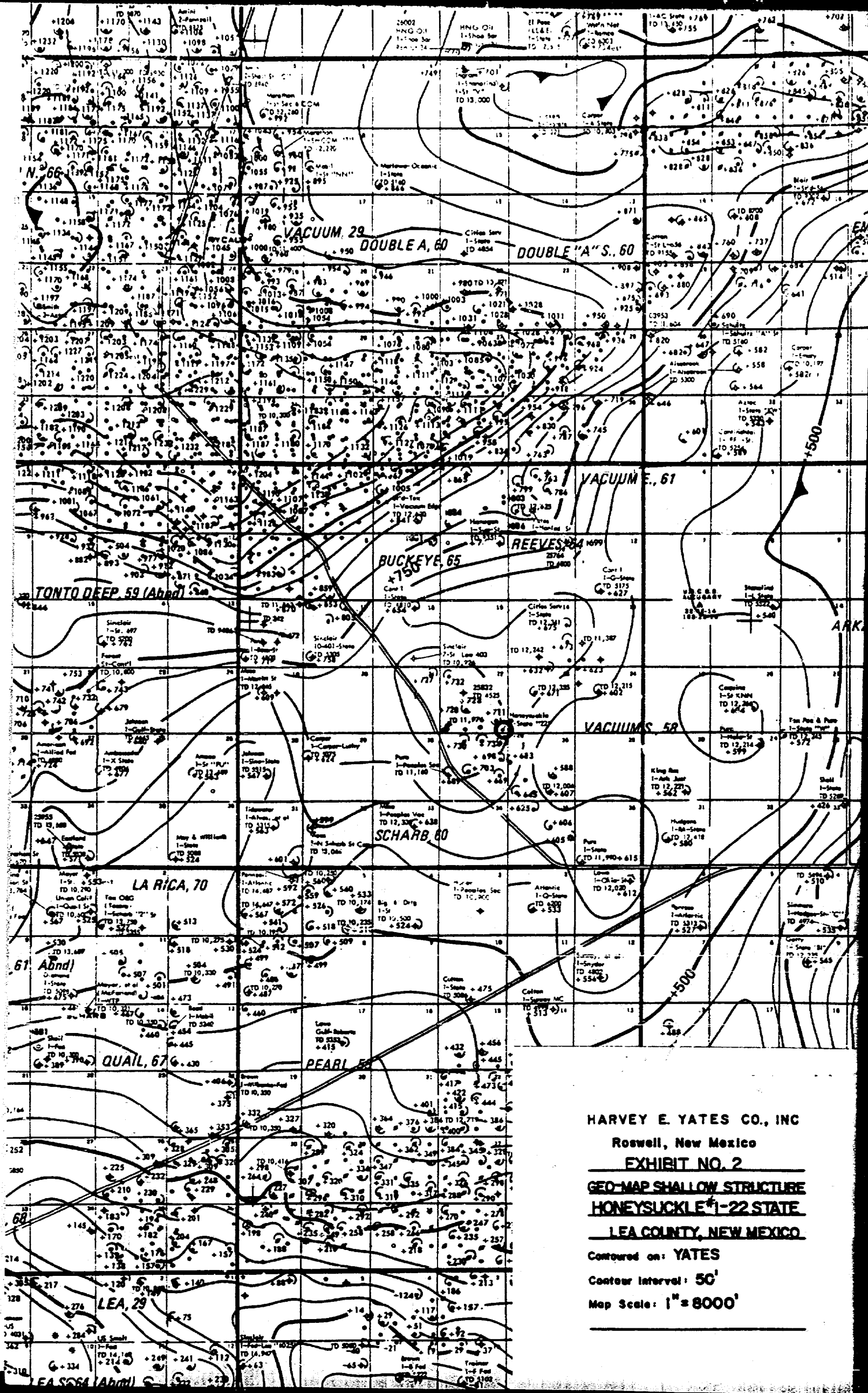
HONEYSUCKLE #1-22 STATE

LEA COUNTY, NEW MEXICO

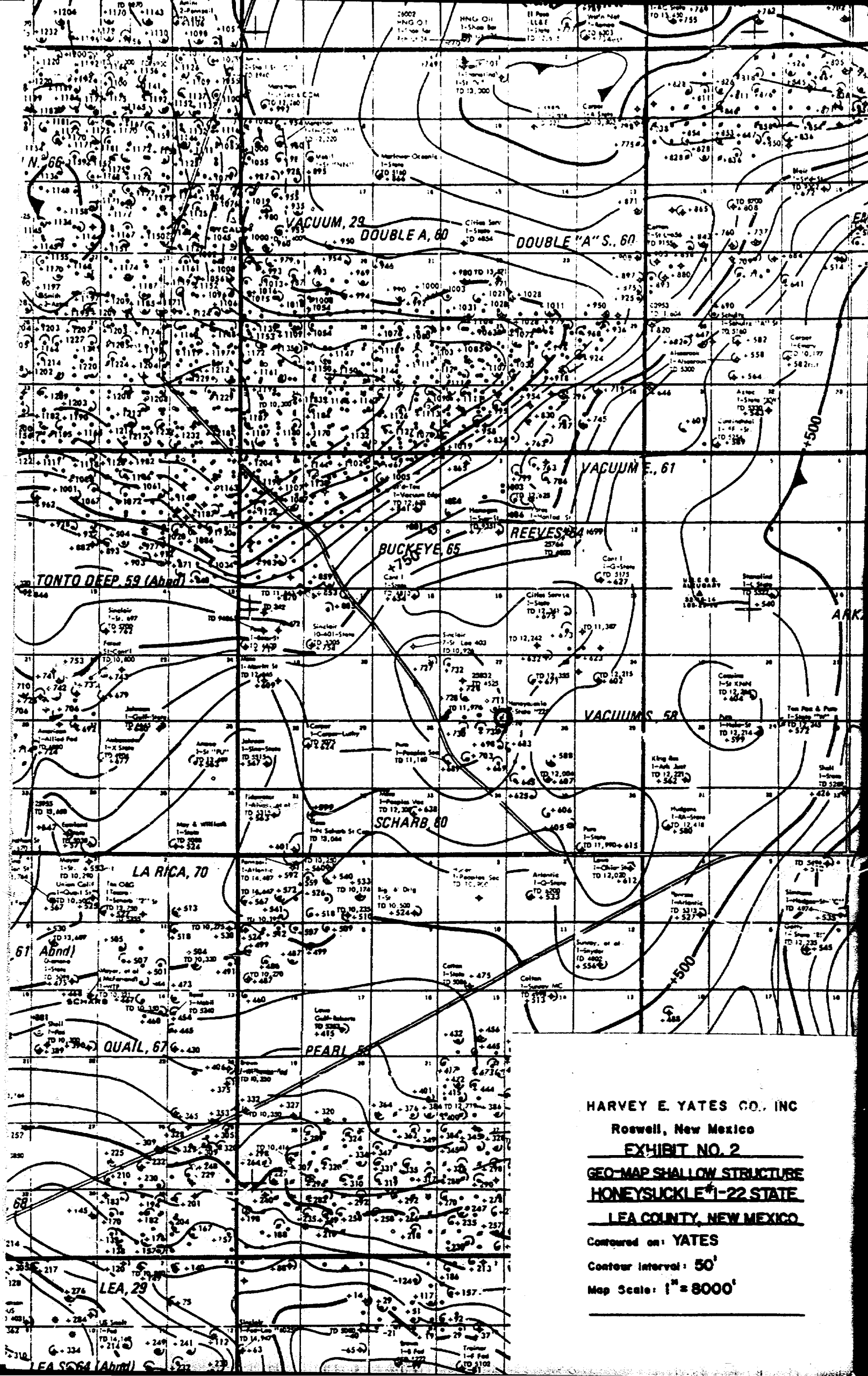
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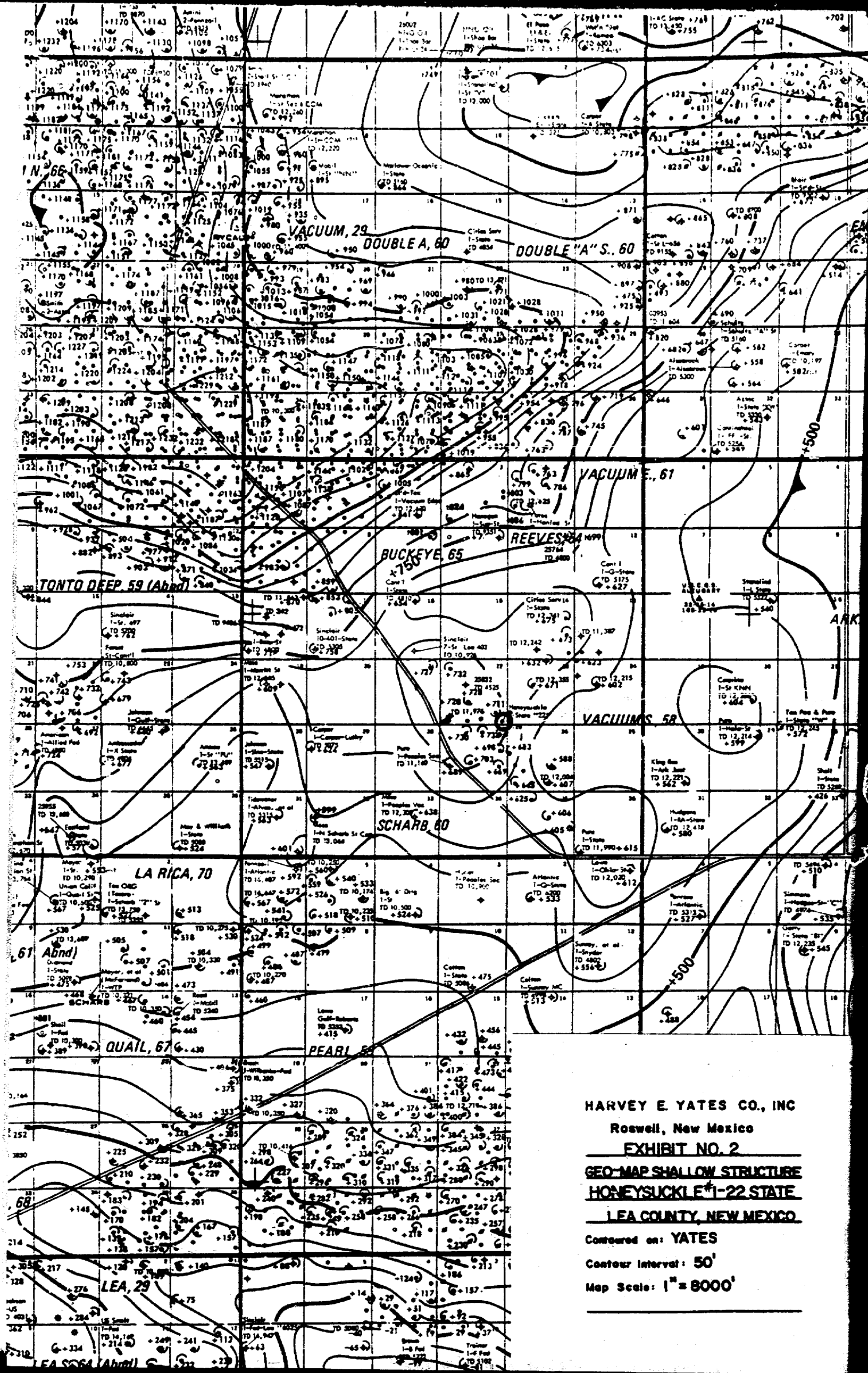
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HARVEY E. YATES CO., INC
Roswell, New Mexico
EXHIBIT NO. 2
GEO-MAP SHALLOW STRUCTURE
HONEYSUCKLE #1-22 STATE
LEA COUNTY, NEW MEXICO
Contoured on: YATES
Contour Interval: 50'
Map Scale: 1" = 8000'



HARVEY E. YATES CO., INC
Roswell, New Mexico
EXHIBIT NO. 2
GEO-MAP SHALLOW STRUCTURE
HONEYSUCKLE #1-22 STATE
LEA COUNTY, NEW MEXICO
Contoured on: YATES
Contour interval: 50'
Map Scale: 1" = 8000'



HARVEY E. YATES CO., INC
 Roswell, New Mexico
 EXHIBIT NO. 2
 GEO-MAP SHALLOW STRUCTURE
 HONEYSUCKLE I-22 STATE
 LEA COUNTY, NEW MEXICO

Computed on: YATES
 Contour Interval: 50'
 Map Scale: 1" = 8000'

Dockets Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

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

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 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: (Continued from January 31, 1979, Examiner Hearing)

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 6434: (Continued from January 31, 1979, Examiner Hearing)

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 State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 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 6435: (Continued from February 14, 1979, Examiner Hearing)

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 6436: (Continued from January 31, 1979, Examiner Hearing)

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 State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 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 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlissue State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the south line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan 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.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan 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.

- CASE 6475: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan 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.
- CASE 6476: Application of Pennzoil Company for an unorthodox gas well location, Eddy 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 South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477: Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437: (Continued and Readvertised)
- Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.
- Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6478: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6479: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480: Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481: Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482: Application of Harvey E. Yates Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, 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 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6486: Application of Depco Inc. for an unorthodox well location, Chaves 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 East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.
- CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 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.

Application of
Harvey E. Yarn Co for an

NGPA determination Rea Co

applicant ^{in this same styled name,} seeks a

new onshore reservoir or new onshore well
determination for its Mobil 27 State Well #1
completed in Queen form in Unit A Sec 27
T18S R35E Rea Co

same thing for

✓ State 22 Well No 1 loc in P-22-18-35

also for

~~State~~ Hauled St #1 K 2-18-35

Boa Strand 10:55 a 2/6/77



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Wellhead price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the section(s) of the Natural Gas Policy Act of 1978 indicated below. If your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION Mobil 27 State # 1 A-27-18S-35E

SECTION(S) APPLIED FOR 102, 103

DATE APPLICATION RECEIVED 2-16-79

APPLICATION INCOMPLETE _____

Sincerely,

DATE: _____

ROUGH

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. 6480

Order No. R-5984

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamey.

NOW, on this day of April, 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, Harvey E. Yates Company, seeks
a new onshore reservoir or, in the alternative, a new onshore
production well determination for its ~~new~~ ²² State Well No. 1
located in Unit ^P of Section 22, Township 18 South, Range 35
East, Queen formation, Lea County, New Mexico.

*Florese
give this case
an order no. before
case no. 6482*

(4) That at the time of completion suitable facilities for the production and transportation of gas from said well were not available.

(5) That said well was not connected to a gas transmission facility prior to October 23, 1978.

(3) That said State 22 Well No. 1 was spudded on December 20, 1976, and was completed as a ~~Queen~~ wildcat Queen oil well on April 14, 1977, from perforations at 4450 feet to 4460 feet.

(4)(5) (6) That while this Queen interval ~~was~~ ^{had been} penetrated by a number of other wells within 2 1/2 miles of said State 22 Well No. 1, no other well ~~was~~ completed in, ~~nor~~ ^{from} produced ~~or~~ could have produced ~~therefrom~~ from, said interval at the time of its completion.

(7) That the geologic evidence presented established that the Queen productive interval ^{in said well} is a shallow water sand bar characterized by limited areal extent.

(8) That the weight of the evidence presented establishes that said State 22 Well No. 1 has encountered a new onshore reservoir from which natural gas was not produced in commercial quantities before April 20, 1977.

(9) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(8) That said portion of the application should be dismissed.

IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said State 22 Well No. 1 is hereby dismissed.

(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.