

CASE 7217: HARVEY E. YATES COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

CASE NO.

7217

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 29, 1981

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

Mr. Robert H. Strand, Attorney^{Re:}
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

CASE NO. 7217
ORDER NO. R-6703

Applicant:

Harvey E. Yates Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u> </u>	X
Artesia OCD	<u> </u>	X
Aztec OCD	<u> </u>	

Other

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. 7217
Order No. R-6703

APPLICATION OF HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1981, 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
approval of an unorthodox gas well location for its Travis Ohio
State Com Well No. 1 to be drilled 760 feet from the South line
and 660 feet from the West line of Section 13, Township 18 South,
Range 28 East, NMPM, to test the Wolfcamp and Pennsylvanian
formations, Eddy County, New Mexico.
- (3) That the S/2 of said Section 13 is to be dedicated to
the well.
- (4) That a well at said unorthodox location is necessitated
to enable applicant to drill at a standard Upper Pennsylvanian
oil well location.
- (5) That no offset operator objected to the proposed un-
orthodox location.

-2-

Case No. 7217
Order No. R-6703

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

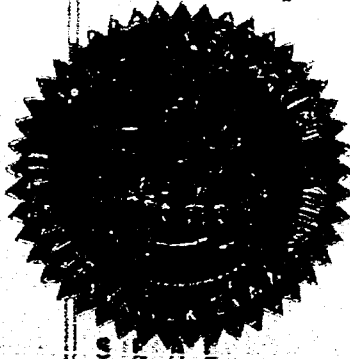
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for the Harvey E. Yates Company Travis Ohio State Com Well No. 1 to be located at a point 760 feet from the South line and 660 feet from the West line of Section 13, Township 18 South, Range 28 East, NMPH, Eddy County, New Mexico.

(2) That the S/2 of said Section 13 shall be dedicated to the above-described well.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 June 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for an unorthodox gas well
location, Eddy County, New Mexico.

CASE
7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Robert Strand, Esq.
HARVEY E. YATES COMPANY
Roswell, New Mexico

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I N D E X

GEORGE YATES

Direct Examination by Mr. Strand 4

RODNEY THOMPSON

Direct Examination by Mr. Strand 8

Cross Examination by Mr. Stamets 9

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, AFE	6
Applicant Exhibit Three, AFE	6
Applicant Exhibit Four, Revised exhibit	9
Applicant Exhibit Five, Revised exhibit	9
Applicant Exhibit Six, Revised exhibit	9
Applicant Exhibit Seven, Revised Exhibit	9
Applicant Exhibit Eight, Revised exhibit	9

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MR. STAMETS: And we'll call next Case
Number 7217.

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MR. PADILLA: Application of Harvey E.
Yates Company for an unorthodox gas well location Eddy County,
New Mexico.

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MR. STRAND: Mr. Examiner, Robert H.
Strand, attorney from Roswell, appearing for the applicant,
and I'll have two witnesses who need to be sworn.

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(Witnesses sworn.)

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MR. STRAND: Mr. Examiner, before we
proceed, this case was readvertised from a hearing we had
several weeks ago, due to the fact it was necessary to move
the well location 100 feet north from the location we had
previously applied for.

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I've given you a set of exhibits which
will take the place of any exhibits that you have from the
prior hearing. You may just wish to dispose of those, the
prior exhibits.

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MR. STAMETS: I hope we can keep those
straight.

GEORGE YATES

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

DIRECT EXAMINATION

BY MR. STRAND:

Q State your name and position with the
applicant.

A My name is George Yates. I'm President
of Harvey E. Yates Company.

Q Mr. Yates, are you familiar with the
application in Case Number 7217?

A Yes, I am.

Q Will you please state the purpose of the
application?

A The purpose of the application is for
approval of an unorthodox well to be drilled 760 feet from
the south line, 660 feet from the west line of Section 13,
Township 18 South, Range 28 East.

The application for unorthodox location
covers the -- any gas proration unit, or gas location, in the
south half of Section 13, in that the oil location would not
be covered.

Q Mr. Yates, is the application for -- in

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2 Case 7217 limited to an unorthodox Wolfcamp-Pennsylvanian
3 location?

4 A Yes, it is, uh-huh.

5 Q And this --

6 MR. STAMETS: The location is standard
7 for the Travis-Penn?

8 A Yes, Travis-Penn. According to Travis-
9 Penn Pool rules this will be a standard location, yes.

10 That's the reason for the confusion here

11 Q Referring to Exhibit Number One, will
12 you please describe that?

13 A Exhibit Number One is a land plat
14 showing the location and also showing the proration unit that
15 would be dedicated, 320-acre proration unit that would be
16 dedicated to a Pennsylvanian gas well, being the south half
17 of Section 13.

18 Also shown on the exhibit is the 80-acre
19 proration unit that would be dedicated to a Canyon well, ac-
20 cording to the -- the Canyon -- or Travis-Penn Field rules.
21 That proration unit would be the south half of the southwest
22 quarter.

23 Q Mr. Yates, what is the primary objective
24 formation in this well?

25 A The primary objective in this well is

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2 the Canyon, the same zone that is productive up to the
3 north in the Travis-Penn Unit.

4 Q So then the purpose of the unorthodox
5 location application is to get permission to take your well
6 to the Morrow at that location.

7 A That's correct. This location was
8 chosen for the -- the Canyon. This is a very propitious
9 place to drill a Canyon well. It's not an afterthought, cer-
10 tainly, going to the Morrow, but the fact is the Morrow is
11 only 1500 feet deeper and the economics involved of taking
12 the well more deeper are quite good.

13 Q Mr. Yates, referring to Exhibit Number
14 Two and Number Three, will you please describe those?

15 A Exhibit Number Two is an AFE that is
16 prepared to represent the costs of drilling and completing
17 a Canyon well to the approximate depth of 10,000 feet.

18 Exhibit Number Three is an AFE that's
19 prepared to represent the costs of drilling and completing
20 a Morrow well at the same location to an approximate depth of
21 11,200 feet.

22 Q What is the approximate additional
23 cost to test the Morrow, both dry hole and completed cost?

24 A Well, the additional costs of a dry hole,
25 should it be taken to the Morrow, is around \$107,000.

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2 The additional costs of drilling and
3 completing the deeper well would be around \$110,000.

4 Q Mr. Yates, were Exhibits One, Two, and
5 Three prepared by you or under your supervision?

6 A. They were.

7 MR. STRAND: Mr. Examiner, I have no
8 further questions of the witness.

9 MR. STAMETS: Any questions of the
10 witness? He may be excused.

11 MR. Strand, wasn't all this geological
12 testimony put in in the first case?

13 MR. STRAND: Yes, it was, but of course
14 it was for the location 660/660 as opposed to the location
15 100 feet further north.

16 MR. STAMETS: Sally, let's go off the
17 record a minute.

18 (There followed a discussion
19 off the record.)

20 MR. STAMETS: Let's go back on the re-
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RODNEY THOMPSON

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

DIRECT EXAMINATION

BY MR. STRAND;

Q State your name and position with the
applicant.

A. My name is Rodney Thompson. I'm a
geologist for Harvey E. Yates Company.

Q Mr. Thompson, have you testified before
the Division in the past and are your qualifications a matter
of record?

A. Yes, I have, and they are.

MR. STRAND: Mr. Examiner, is Mr.
Thompson considered qualified?

MR. STAMETS: Yes.

Q Mr. Thompson, this particular case was
heard approximately three weeks ago, I believe, for an unor-
thodox location 660 feet from the south line and 660 feet
from the west line of Section 13, Township 18 South, Range
28 East.

In your opinion would moving that loca-
tion to the now requested location of 760 feet from the south

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A. Mr. Strand, I -- I -- it will not make
5 any difference in the testimony of the previous one for either
6 of our two zones we wish to test in here, the Canyon pay zone,
7 as well as the Lower Morrow Sand.

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Q. Mr. Thompson, we have prepared new ex-
9 hibits for this hearing, Exhibit Four, Five, Six, Seven, and
10 Eight. Are they essentially the same exhibits which were
11 utilized in the prior hearing?

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A. Yes, they are. They just really have
13 the new location on it is all, the new proposed location.

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Q. And were those exhibits prepared by you?

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A. Yes, they were.

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MR. STRAND: Mr. Examiner, I have no
17 further questions and I would move that Exhibits One through
18 Eight be admitted.

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MR. STAMETS: These exhibits will be

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admitted.

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CROSS EXAMINATION

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BY MR. STAMETS:

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Q. Mr. Thompson, I presume even though

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your main prospects are the Upper Pennsylvanian and the Morrow

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2 section, you would like to have the authority to produce any
3 other zones in the Wolfcamp or Pennsylvanian section that might
4 turn out to be productive in this well.

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6 production all through the Permian and several Pennsylvanian
7 horizons in the trend of the area, and we would like permis-
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9 sylvanian Canyon and the Pennsylvanian Morrow sand.

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11 questions of this witness? He may be excused.

12 Anything further in this case?

13 The case will be taken under advisement.

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15 (Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7217,
heard by me on 6-3 1981.

Richard L. Plumb, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409

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CASE
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C E R T I F I C A T E

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is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

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a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7405

Dockets Nos. 19-81 and 20-81 are tentatively set for June 17 and July 2, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1981

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 7261: Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pecos River Bluff Unit Area, comprising 4789 acres, more or less, of State and Federal lands in Township 13 South, Range 27 East.

CASE 7262: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Berry State Unit Area, comprising 2,228 acres, more or less, of State lands in Township 21 South, Ranges 33 and 34 East.

CASE 7263: Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IX" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations.

CASE 7238: (Continued from May 6, 1981, Examiner Hearing)
Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.

CASE 7217: (Continued and Readvertised)
Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Travis Ohio State Com Well No. 1 to be drilled 760 feet from the South line and 660 feet from the West line of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7251: (Continued from May 6, 1981, Examiner Hearing)
Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7264: Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Entrada formation at a depth of 5200 feet to 5350 feet in its Federal "E" Well No. 2 in Unit H of Section 28, Township 19 North, Range 5 West.

CASE 7265: Application of Tenneco Oil 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 drilled 2310 feet from the North line and 990 feet from the West line of Section 13, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well.

CASE 7266: Application of Tenneco Oil 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 drilled 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to the well.

CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "F-1" Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Blinbry Pool and commingled Hardy-Drinkard and undesignated Tubb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Burger Well No. 107 to produce oil from the Skaggs-Grayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East. Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7250: (Continued from May 6, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 May 1981

EXAMINER HEARING

-----)
IN THE MATTER OF:)

Application of Harvey E. Yates Com-)
pany for an unorthodox gas well loca-)
tion, Eddy County, New Mexico.)

CASE
7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Robert Strand, Esq.
HARVEY E. YATES COMPANY
Roswell, New Mexico

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I N D E X

GEORGE YATES

Direct Examination by Mr. Strand

Cross Examination by Mr. Stamets

RODNEY THOMPSON

Direct Examination by Mr. Strand

E X H I B I T S

Applicant Exhibit One, Plat

Applicant Exhibit Two, AFE

Applicant Exhibit Three, AFE

Applicant Exhibit Four, Structure Map

Applicant Exhibit Five, Isopach

Applicant Exhibit Six, Isopach

Applicant Exhibit Seven, Cross Section

Applicant Exhibit Eight, Cross Section

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MR. STAMETS: We'll call next Case 7217.

MR. PADILLA: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. STRAND: Mr. Examiner, same appearances and witnesses in this case, also.

MR. STAMETS: The record will show that the witnesses have been sworn and qualified.

GEORGE YATES

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

DIRECT EXAMINATION

BY MR. STRAND:

Q State your full name and your position and duties with the applicant.

A. My name is George Yates. I'm Vice-President of Harvey E. Yates Company. My responsibilities involve supervision of all land and exploration operations.

Q Are you familiar with the application for Case Number 7217?

A. Yes, I am.

Q Would you please state the purpose of

1
2 the application?

4

3 A. The purpose of the application is to
4 request approval of an unorthodox Morrow location for our Travis
5 Ohio State Com No. 1 Well, located 660 feet from the south
6 line, 660 from the west line of Section 13, Township 18 South,
7 Range 28 East, Eddy County, New Mexico.

8 Q I refer you to Exhibit Number One, Will
9 you please describe that exhibit?

10 A. Exhibit Number One is a land map which
11 shows the location of the Travis Ohio State Com. It also
12 shows the 320-acre proration unit dedicated to that well, a
13 Morrow proration unit. It in addition shows the 80-acre
14 proration unit dedicated to a Canyon well on the special
15 field rules of the Travis Penn Unit.

16 Q Mr. Yates, would you describe the ob-
17 jective formations?

18 A. The primary objective of the Travis Ohio
19 State Com is the Canyon zone, which is productive to the north
20 in our proposed Travis Penn Unit wells. It is, in addition,
21 productive to the west in the Holly operated Cowntown Unit.

22 The deeper objective, the Morrow, is a
23 secondary objective, that since it lies approximately 1500
24 feet under the Canyon formation is considered by us to be an
25 economic project.

1
2 The well itself will be drilled to test
3 the Canyon formation, primarily; secondarily, the Morrow.

4 Q And the location is an orthodox location
5 for the 80-acre Canyon, or Travis Upper Penn spacing unit?

6 A Yes, it is. Yes, it is.

7 Q I refer you to Exhibits Number Two and
8 Number Three. Would you please describe those?

9 A Exhibit Number Two is an AFE prepared
10 for a Canyon well to be drilled at the specified unorthodox
11 location.

12 Exhibit Number Three is an AFE for the
13 same well to be drilled and completed in the Morrow.

14 Q What is the difference in cost going
15 from the lowest completion in the Travis Penn down to the
16 proposed completion in the Morrow zone?

17 A Well, the difference in cost is about
18 \$107,000 dry hole cost; approximately \$120,000 completed well
19 cost.

20 Q So the basic purpose of this application
21 then is to request the unorthodox location for the Morrow so
22 that we can go down and test it.

23 A That's correct.

24 Q Okay. Were Exhibits One, Two, and
25 Three prepared by you or under your supervision?

1
2 A. Yes, they were.

3 MR. STRAND: I have no further questions
4 of Mr. Yates.
5

6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q. Mr. Yates, do you consider the Morrow
9 is the only gas prospect at this location?

10 A. No, Mr. Examiner, I don't. There would
11 be a possibility of Atoka. Other than that --

12 Q. But the advertisement is for the Morrow
13 only, and if you would want those other zones considered, it
14 would take a readvertisement of the case or a subsequent
15 hearing if you stumble across anything besides the Morrow.

16 A. Well, we -- we regard the possibility
17 of an Atoka completion, because of the dense well control, to
18 be relatively small; however, it is a possibility.

19 MR. STRAND: Why don't we readvertise
20 it to cover the -- what about the Strawn, Mr. Yates, any
21 possibility there?

22 A. If we're readvertising we ought to
23 cover the whole Penn interval.

24 MR. STRAND: Why don't we designate it
25 as Pennsylvanian?

1
2 MR. STAMETS: Okay. That leaves the
3 Strawn, Atoka, Morrow, how about the Wolfcamp?

4 A. Well, I would -- I would readvertise all
5 formations that are unitized under the unit that have potential
6 and for 320-acre spacing.

7 MR. STRAND: That would be fine.
8 Wolfcamp through the Pennsylvanian.

9 A. Wolfcamp through the Pennsylvanian.

10 MR. STAMETS: Okay. Is there any chance
11 that the Upper Penn would get into a gas zone at this location?

12 A. Well, there's always a possibility of
13 running into a different Upper Penn. The Travis Penn should
14 not be a gas zone at this location.

15 MR. STAMETS: Okay, we will readvertise
16 that, then, including the entire Pennsylvanian section. We
17 may as well, and that will have to be June 3rd, I believe.

18 Any other questions of this witness?

19 He may be excused.

20
21 RODNEY THOMPSON

22 being called as a witness and being previously sworn upon his
23 oath, testified as follows, to-wit:
24
25

DIRECT EXAMINATION

BY MR. STRAND:

Q. State your full name and your position with the applicant.

A. My name is Rodney Thompson. I'm a geologist for -- working for Harvey E. Yates Company in Midland, Texas.

Q. Mr. Thompson, are you familiar with the application in Case Number 7217?

A. Yes.

Q. Have you prepared certain exhibits relating to this application?

A. Yes.

Q. Would you briefly describe each of these exhibits in sequence and their relevance to the application?

A. Yes. I'd like to start off by saying the Travis Deep Field is located in the northern part -- section of the shelf in Eddy County, New Mexico, and although multi-pay horizons are potential in the area, through the Permian as well as the Pennsylvanian, our primary concern, or primary objectives are the Pennsylvanian Canyon pay interval, as well as the Morrow sandstone units in the Lower Pennsylvanian.

Exhibit Number Four is a structural map that's contoured on the base of the -- or excuse me, on the top of the Pennsylvanian "A" interval. The cross section shows a southeast dip in this localized area at the Canyon horizon; that is, the pay interval horizon.

We anticipate our proposed location to be situated in a good position structurally to encounter productive Canyon carbonates.

The well offsetting our location to the northeast, the Harvey E. Yates Company Travis State No. 1, was completed in July of 1979 in the Canyon pay zone, flowing 412 barrels of oil per day, plus 8 barrels of water, and this well has produced over 30,000 barrels of oil up to January of 1981, and it is presently producing over 2000 barrels of oil per month.

Now, Exhibit Number Five is a Pennsylvanian porosity Isopach. It's the net feet of porosity in the Canyon pay interval that has greater than 4 percent porosity.

And from the map we can see that our proposed location is situated good stratigraphically, as well as structurally, to encounter good, porous Canyon carbonates.

That's all I'll say for that right now.

Exhibit Number Six is an Isopach of the

1 clean lime interval in the Canyon pay zone, the same one we're
2 concerned with in the first two exhibits. And it indicates
3 that at our proposed location we're expecting to encounter
4 between 100 and 110 feet of clean limestone in the Canyon pay
5 interval. So.

6 Exhibit Number Seven, to go along with
7 this, is a stratigraphic cross section hung at the base of
8 the Canyon pay interval and running from the southwest part
9 of the Travis Deep Field on up through the northeast part,
10 showing the stratigraphy of the Canyon limestone through the
11 Travis Deep Field.

12 Our location would be occurring between
13 the Holly Energy Well at the -- at point A of the cross
14 section, and between the Harvey E. Yates Travis State No. 1
15 well, second from the left on the cross section.

16 So summing this all up, then, in the
17 Canyon we would expect to encounter under our proposed loca-
18 tion a thick, clean, as well as porous, limestone unit in the
19 Canyon pay interval.

20 Now in addition to the Pennsylvanian
21 Canyon, we also propose to go through the Pennsylvanian and
22 test the Lower Morrow sands.

23 Exhibit Number Eight is a stratigraphic
24 cross section that runs from the Holly Energy well just off-
25

1
2 setting our proposed location to the south -- or to the west,
3 southwest, and on up through our proposed location to the
4 Harvey E. Yates Travis State No. 1 Well, just offsetting our
5 proposed location to the northeast.

6 Now, the Holly Energy well was tested
7 these -- a unit, a sand unit in the Upper Morrow, and that
8 sand unit is shown on the cross section in Holly Energy's well.
9 They perforated this unit and it was -- it flowed 3.7 million
10 cubic feet of gas per day. I just -- I believe that flow rate
11 has dropped since the time they initially perfered that well,
12 but the thing that we're -- we're mainly interested in is the
13 Lower Sand unit at the base of the Morrow. This cross section
14 by the way, is hung on the top of the Morrow Clastics as a
15 datum marker, and it shows this Lower Morrow Sand was present
16 in the Holly Energy Well. This is the one below the top one
17 that they perforated.

18 And we also encountered it in the
19 Harvey E. Yates Travis State No. 1 Well to the northeast.

20 And this Lower Morrow Sand is a -- has
21 been -- as we consider to be a fluvial deltaic sand in origin,
22 which extends all the way from -- we've mapped it from the
23 Logan Draw area up in 17 South, 27 East, all the way through
24 the Empire South Field, which is just north of this prospect,
25 and down on through our Travis Field, and these channel sands

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and deltaic sands in some cases have the ability of producing,

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the potential of producing up to 20 billion cubic feet of

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gas.

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Now, this sand in the Harvey E. Yates

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well was tested and did have some shows of gas but we had

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some pressure problems in the well while testing the sand.

8

We believe there may have been some formation damage to this

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sand in the Harvey E. Yates well.

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So to sum up our proposed location, then

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we feel that we're sitting in an optimum position to encounter

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good, thick, clean, productive carbonates in the Canyon pay

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interval, as well as good possibilities in the sandstones of

14

the Morrow Clastic sequence.

15

Q

Mr. Thompson, would you also consider

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there to be some productive possibilities in the Strawn and

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Atoka formations?

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A

Yeah, I -- I believe that the -- now,

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in our Harvey E. Yates well, Travis State No. 1, we did have

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some shows of gas in the Atoka that we went up and tested and

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it flowed some gas in non-commercial amounts for some time,

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for several days. So we feel that there is a chance in the

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Atoka of getting Atoka production under the prospect.

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The Strawn, and I must confess that I

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haven't mapped through this area recently and I'm not up to

1
2 par on its capabilities, but I believe that it -- it also is
3 productive in the trend that we're looking at.

4 Q Mr. Thompson, in your opinion would
5 approval of this application promote conservation, prevent
6 waste, and protect correlative rights?

7 A Yes.

8 Q Were Exhibits Four through Eight pre-
9 pared by you or under your supervision?

10 A Under my supervision, they were, they
11 were designed.

12 MR. STRAND: Mr. Examiner, I move ad-
13 mission of Exhibits One through Eight.

14 MR. STAMETS: These exhibits will be
15 admitted.

16 MR. STRAND: And I have no further
17 questions.

18 MR. STAMETS: Any questions of the
19 witness? He may be excused.

20 Anything further in this case?

21 The case will be readvertised.

22
23 (Hearing concluded.)
24
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7217
heard by me on 5-6 19.81
Richard L. Stamt Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for an unorthodox gas well loca-
tion, Eddy County, New Mexico.

CASE
7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Robert Strand, Esq.
HARVEY E. YATES COMPANY
Roswell, New Mexico

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I N D E X

GEORGE YATES

Direct Examination by Mr. Strand

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Cross Examination by Mr. Stamets

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RODNEY THOMPSON

Direct Examination by Mr. Strand

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, AFE

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Applicant Exhibit Three, AFE

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Applicant Exhibit Four, Structure Map

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Applicant Exhibit Five, Isopach

8

Applicant Exhibit Six, Isopach

8

Applicant Exhibit Seven, Cross Section

9

Applicant Exhibit Eight, Cross Section

9

1 MR. STAMETS: We'll call next Case 7217.

2 MR. PADILLA: Application of Harvey E.
3 Yates Company for an unorthodox gas well location, Eddy County,
4 New Mexico.

5 MR. STRAND: Mr. Examiner, same appear-
6 ances and witnesses in this case, also.

7 MR. STAMETS: The record will show that
8 the witnesses have been sworn and qualified.
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10
11 GEORGE YATES
12 being called as a witness and being previously sworn upon his
13 oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. STRAND:

17 Q State your full name and your position
18 and duties with the applicant.

19 A My name is George Yates. I'm Vice-
20 President of Harvey E. Yates Company. My responsibilities
21 involve supervision of all land and exploration operations.

22 Q Are you familiar with the application
23 in Case Number 7217?

24 A Yes, I am.

25 Q Would you please state the purpose of

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the application?

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A.

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The purpose of the application is to request approval of an unorthodox Morrow location for our Travis Ohio State Com No. 1 Well, located 660 feet from the south line, 660 from the west line of Section 13, Township 18 South, Range 28 East, Eddy County, New Mexico.

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6

Q I refer you to Exhibit Number One, Will you please describe that exhibit?

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A.

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Exhibit Number One is a land map which shows the location of the Travis Ohio State Com. It also shows the 320-acre proration unit dedicated to that well, a Morrow proration unit. It in addition shows the 80-acre proration unit dedicated to a Canyon well on the special field rules of the Travis Penn Unit.

Q.

Mr. Yates, would you describe the objective formations?

A.

The primary objective of the Travis Ohio State Com is the Canyon zone, which is productive to the north in our proposed Travis Penn Unit wells. It is, in addition, productive to the west in the Holly operated Cowntown Unit.

The deeper objective, the Morrow, is a secondary objective, that since it lies approximately 1500 feet under the Canyon formation is considered by us to be an economic project.

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The well itself will be drilled to test the Canyon formation, primarily; secondarily, the Morrow.

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Q And the location is an orthodox location for the 80-acre Canyon, or Travis Upper Penn spacing unit?

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A Yes, it is. Yes, it is.

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Q I refer you to Exhibits Number Two and Number Three. Would you please describe those?

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A Exhibit Number Two is an AFE prepared for a Canyon well to be drilled at the specified unorthodox location.

Exhibit Number Three is an AFE for the same well to be drilled and completed in the Morrow.

Q What is the difference in cost going from the lowest completion in the Travis Penn down to the proposed completion in the Morrow zone?

A Well, the difference in cost is about \$107,000 dry hole cost; approximately \$120,000 completed well cost.

Q So the basic purpose of this application then is to request the unorthodox location for the Morrow so that we can go down and test it.

A That's correct.

Q Okay. Were Exhibits One, Two, and Three prepared by you or under your supervision?

1
2 A. Yes, they were.

3 MR. STRAND: I have no further questions
4 of Mr. Yates.

5
6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q Mr. Yates, do you consider the Morrow
9 is the only gas prospect at this location?

10 A No, Mr. Examiner, I don't. There would
11 be a possibility of Atoka. Other than that --

12 Q But the advertisement is for the Morrow
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20 it to cover the -- what about the Strawn, Mr. Yates, any
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23 cover the whole Penn interval.

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4 A Well, I would -- I would readvertise all
5 formations that are unitized under the unit that have potential
6 and for 320-acre spacing.

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8 Wolfcamp through the Pennsylvanian.

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11 that the Upper Penn would get into a gas zone at this location?

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13 running into a different Upper Penn. The Travis Penn should
14 not be a gas zone at this location.

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17 may as well, and that will have to be June 3rd, I believe.

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22 being called as a witness and being previously sworn upon his
23 oath, testified as follows, to-wit:
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DIRECT EXAMINATION

BY MR. STRAND:

Q State your full name and your position with the applicant.

A My name is Rodney Thompson. I'm a geologist for -- working for Harvey E. Yates Company in Midland, Texas.

Q Mr. Thompson, are you familiar with the application in Case Number 7217?

A Yes.

Q Have you prepared certain exhibits relating to this application?

A Yes.

Q Would you briefly describe each of these exhibits in sequence and their relevance to the application?

A Yes. I'd like to start off by saying the Travis Deep Field is located in the northern part -- section of the shelf in Eddy County, New Mexico, and although multi-pay horizons are potential in the area, through the Permian as well as the Pennsylvanian, our primary concern, or primary objectives are the Pennsylvanian Canyon pay interval, as well as the Morrow sandstone units in the Lower Pennsylvanian.

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4 that at our proposed location we're expecting to encounter
5 between 100 and 110 feet of clean limestone in the Canyon pay
6 interval. So.

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9 this, is a stratigraphic cross section hung at the base of
10 the Canyon pay interval and running from the southwest part
11 of the Travis Deep Field on up through the northeast part,
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15 the Holly Energy Well at the -- at point A of the cross
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17 Well, second from the left on the cross section.

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20 tion a thick, clean, as well as porous, limestone unit in the
21 Canyon pay interval.

22 Now in addition to the Pennsylvanian
23 Canyon, we also propose to go through the Pennsylvanian and
24 test the Lower Morrow sands.

25 Exhibit Number Eight is a stratigraphic
cross section that runs from the Holly Energy well just off-

1
2 setting our proposed location to the south -- or to the west,
3 southwest, and on up through our proposed location to the
4 Harvey E. Yates Travis State No. 1 Well, just offsetting our
5 proposed location to the northeast.

6 Now, the Holly Energy well was tested
7 these -- a unit, a sand unit in the Upper Morrow, and that
8 sand unit is shown on the cross section in Holly Energy's well.
9 They perforated this unit and it was -- it flowed 3.7 million
10 cubic feet of gas per day. I just -- I believe that flow rate
11 has dropped since the time they initially perfered that well,
12 but the thing that we're -- we're mainly interested in is the
13 Lower Sand unit at the base of the Morrow. This cross section,
14 by the way, is hung on the top of the Morrow Clastics as a
15 datum marker, and it shows this Lower Morrow Sand was present
16 in the Holly Energy Well. This is the one below the top one
17 that they perforated.

18 And we also encountered it in the
19 Harvey E. Yates Travis State No. 1 Well to the northeast.

20 And this Lower Morrow Sand is a -- has
21 been -- as we consider to be a fluvial deltaic sand in origin,
22 which extends all the way from -- we've mapped it from the
23 Logan Draw area up in 17 South, 27 East, all the way through
24 the Empire South Field, which is just north of this prospect,
25 and down on through our Travis Field, and these channel sands

1
2 and deltaic sands in some cases have the ability of producing,
3 the potential of producing up to 20 billion cubic feet of
4 gas.

5 Now, this sand in the Harvey E. Yates
6 well was tested and did have some shows of gas but we had
7 some pressure problems in the well while testing the sand.
8 We believe there may have been some formation damage to this
9 sand in the Harvey E. Yates well.

10 So to sum up our proposed location, then,
11 we feel that we're sitting in an optimum position to encounter
12 good, thick, clean, productive carbonates in the Canyon pay
13 interval, as well as good possibilities in the sandstones of
14 the Morrow Clastic sequence.

15 Q Mr. Thompson, would you also consider
16 there to be some productive possibilities in the Strawn and
17 Atoka formations?

18 A Yeah, I -- I believe that the -- now,
19 in our Harvey E. Yates well, Travis State No. 1, we did have
20 some shows of gas in the Atoka that we went up and tested and
21 it flowed some gas in non-commercial amounts for some time,
22 for several days. So we feel that there is a chance in the
23 Atoka of getting Atoka production under the prospect.

24 The Strawn, and I must confess that I
25 haven't mapped through this area recently and I'm not up to

1
2 par on its capabilities, but I believe that it -- it also is
3 productive in the trend that we're looking at.

4 Q Mr. Thompson, in your opinion would
5 approval of this application promote conservation, prevent
6 waste, and protect correlative rights?

7 A Yes.

8 Q Were Exhibits Four through Eight pre-
9 pared by you or under your supervision?

10 A Under my supervision, they were, they
11 were designed.

12 MR. STRAND: Mr. Examiner, I move ad-
13 mission of Exhibits One through Eight.

14 MR. STAMETS: These exhibits will be
15 admitted.

16 MR. STRAND: And I have no further
17 questions.

18 MR. STAMETS: Any questions of the
19 witness? He may be excused.

20 Anything further in this case?

21 The case will be readvertised.

22
23 (Hearing concluded.)
24
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

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

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone: (505) 455-7409

Docket No. 15-81

Dockets Nos. 16-81 and 17-81 are tentatively set for May 20 and June 3, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 6, 1981

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 7235: Application of Public Lands Exploration Inc. for a unit agreement, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks approval for the O'Connell Ranch Unit Area, comprising 640 acres, more or less, of State and fee lands in Township 11 North, Range 25 East, said unit being for the purpose of conducting an enhanced oil recovery project by the injection of steam.
- CASE 7236: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Well No. 11 located in Unit E of Section 36, Township 22 South, Range 30 East, to produce gas from the Atoka and Morrow formations thru parallel strings of tubing.
- CASE 7237: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State F-1 Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Drinkard Pool and an undesignated Tubb pool thru parallel strings of tubing.
- CASE 7238: Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7239: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 75.5-acre non-standard proration unit comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 7240: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbore of its Sunray B Well No. 6 located in Unit G of Section 1, Township 30 North, Range 10 West.
- CASE 7241: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Mississippian location of its Austin State 18 Well No. 1 to be drilled 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East, the S/2 of said Section 18 to be dedicated to the well.
- CASE 7242: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its McDonald Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 7243: 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 Pennsylvanian and Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, for a gas completion and/or all mineral interests in the Devonian formation underlying the SE/4 SE/4 of said Section 33 for an oil completion. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7217: (Continued from April 8, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Con Well No. 1 to be drilled 660 feet from the South and West lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

- CASE 7244: Application of Crescent Energy Corp. for an unorthodox oil well location and non-standard oil production unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Bough "C" location of a well to be drilled 2630 feet from the North line and 1980 feet from the East line of Section 32, Township 8 South, Range 37 East, Allison-Pennsylvanian Field, the SW/4 NE/4 and NW/4 SE/4 of said Section 32 to be dedicated to the well.
- CASE 7245: Application of The Superior Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 21, Township 20 South, Range 35 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. (This case will be dismissed.)
- CASE 7246: 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 Getty 32 State Com. Well No. 1 located in Unit C of Section 32, Township 21 South, Range 32 East, to produce gas from the Atoka and Morrow formations.
- CASE 7247: Application of Getty Oil Company for a gas well classification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of its State 29-J Well No. 1, an oil well located in Unit J of Section 29, Township 24 South, Range 33 East, as a retrograde gas condensate well with the S/2 of said Section 29 to be dedicated to the well.
- CASE 7248: Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.
- CASE 7249: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 18 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7250: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7251: Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Manecos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7252: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying portions of Townships 24 and 25 North, Ranges 7, 8, 9, and 10 West, containing 135,040 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

PHONE (505) 823 3301

HEYCO

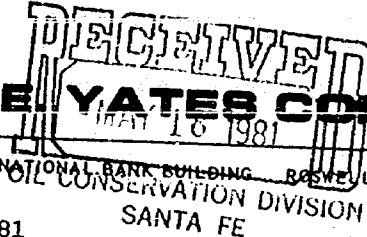
PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933 SECURITY NATIONAL BANK BUILDING ROSWELL, NEW MEXICO 88201

May 15, 1981



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

Case 7217

Re: Application for Unorthodox Location
Travis Ohio State Com #1
760 FSL and 660 FWL
Sec. 13, T-18S, R-28E, N.M.P.M.
Eddy County, New Mexico

Gentlemen:

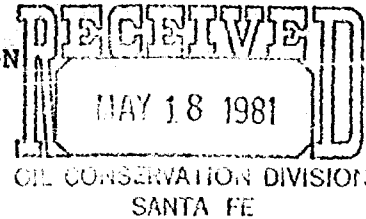
Enclosed for filing is an original and two (2) copies of the above referenced application. As we discussed by telephone this matter is set for hearing on the June 3, 1981 Docket.

Sincerely,

Robert H. Strand
Robert H. Strand
Attorney

RHS/smb
Encls.

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
EDDY COUNTY, NEW MEXICO :

Case No. 7217

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states;

1. Applicant is the operator of the Morrow forma-
tion underlying:

Township 18 South, Range 28 East, N.M.P.M.

Section 13: S/2

2. Applicant proposes to drill its Travis Ohio State
Com #1 Well at a location 760 feet from the South Line and 660
feet from the West line of said Section 13 to a depth sufficient
to adequately test the Wolfcamp through Morrow formations which
is reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Division
to drill said well to the Wolfcamp through Morrow formations at
the above described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the above described lands should be dedicated to such well.

5. The approval of this application will afford App-
licant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

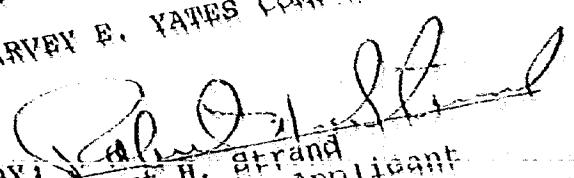
A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 760 feet from the South Line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.

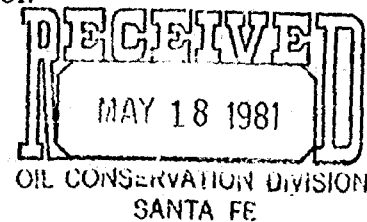
C. For such further relief as the Division deems just and proper.

DATED this 15th day of May, 1981.

HARVEY E. YATES COMPANY

BY: 
Robert H. Strand
Attorney for Applicant
P.O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case No. 7217

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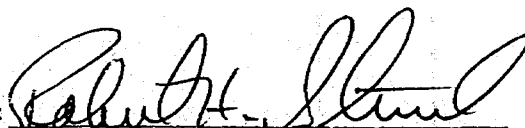
B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 760 feet from the South Line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.

C. For such further relief as the Division deems just and proper.

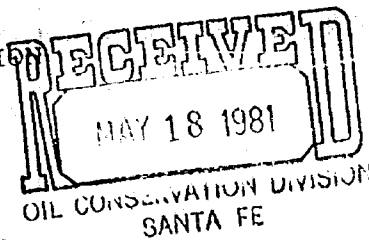
DATED this 15th day of May, 1981.

HARVEY E. YATES COMPANY

BY:


Robert H. Strand
Attorney for Applicant
P.O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case No. 7217

APPLICATION

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Township 18 South, Range 28 East, N.M.P.M.

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to drill said well to the Wolfcamp through Morrow formations at
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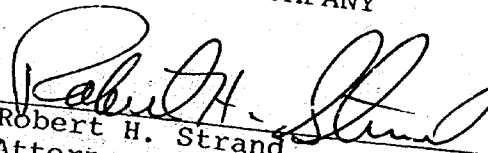
WHEREFORE, applicant prays:

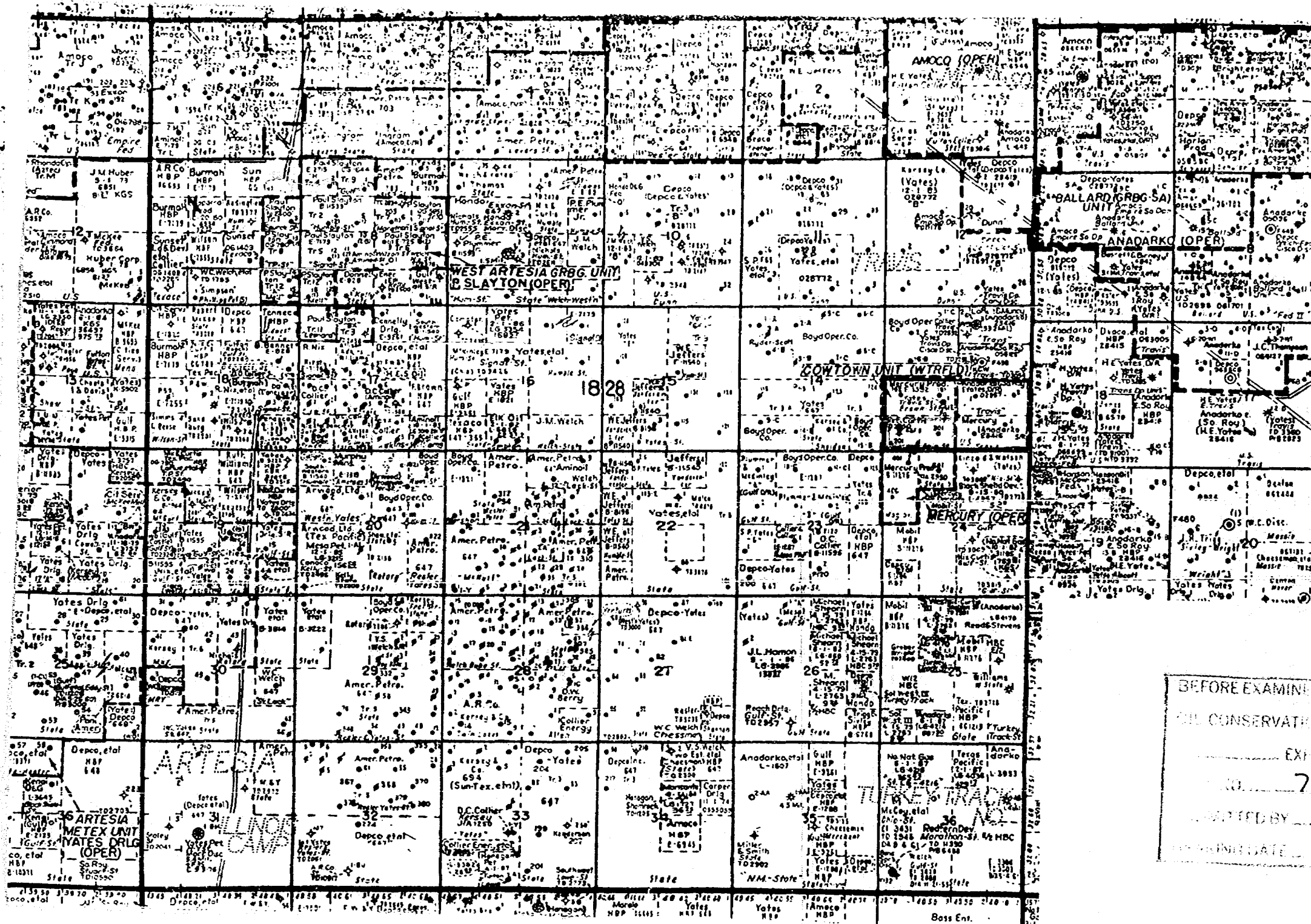
- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 760 feet from the South Line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.
- C. For such further relief as the Division deems just and proper.

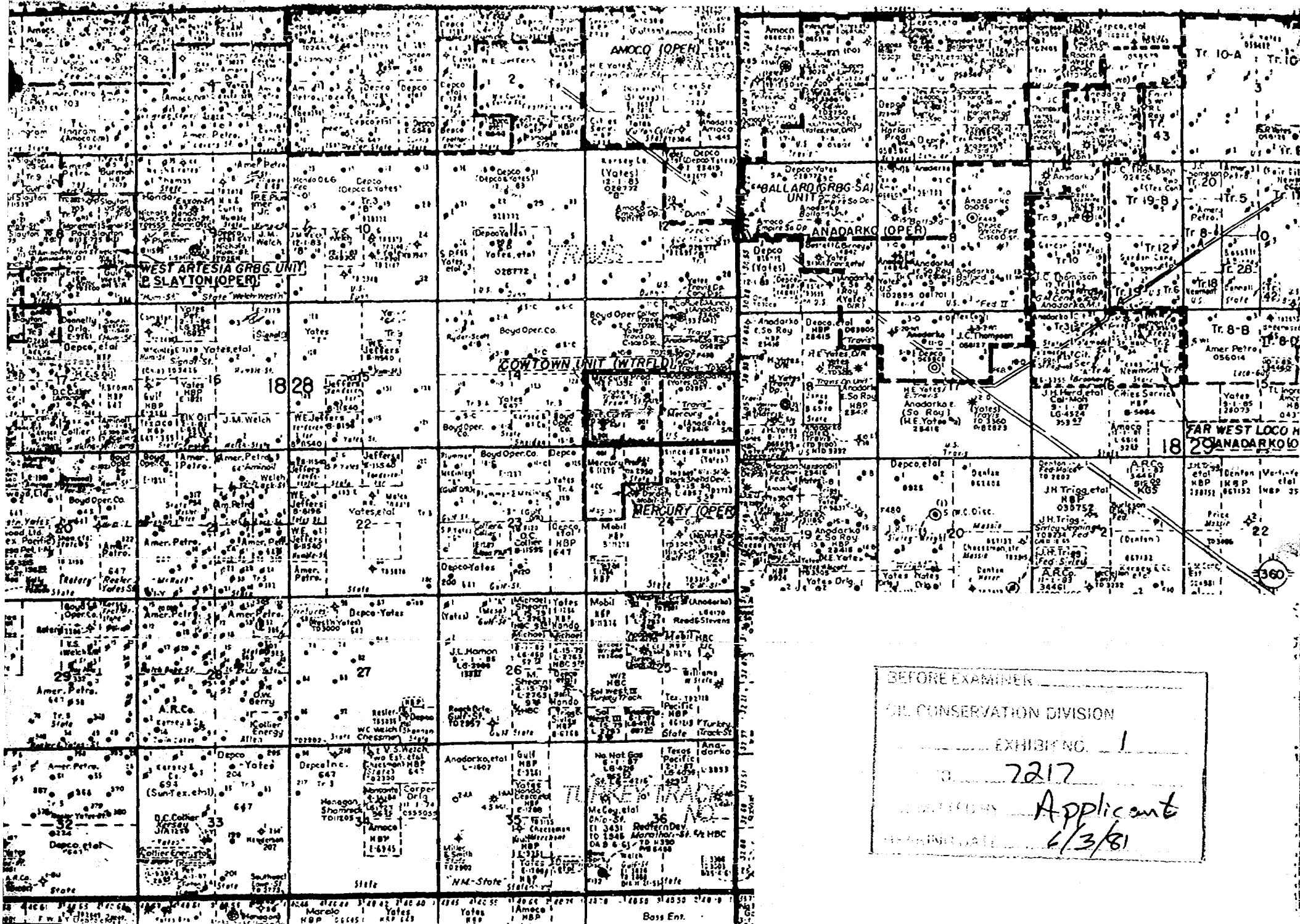
DATED this 15th day of May, 1981.

HARVEY E. YATES COMPANY

BY:


Robert H. Strand
Attorney for Applicant
P.O. Box 1933
Roswell, New Mexico 88201





BEFORE EXAMINER

OIL CONSERVATION DIVISION

EXHIBIT NO. 1

7217

Applicant

6/3/81

LEASE Travis Deep Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, 760 FSL & 660' FWL

COUNTY Eddy

DEPTH 10,000'

PRODUCING FORMATION

Canyon

Producing
Well CostDry Hole
Cost

Drilling and completion costs

Intangible drilling costs

Location	\$ 12,000	\$ 12,000
Footage 10,000' @ \$27.50/ft.	275,000	275,000
Daywork 6 @ \$6900/day	41,400	41,400
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	20,000	20,000
Company supervisor, engineer	6,000	6,000
Rentals, coring service	20,000	20,000
Miscellaneous	10,000	10,000
Total intangible drilling costs	400,200	400,200

Intangible formation evaluation cost

Logs, CNL-D, DLL-Rxo	23,000	23,000
DST 4 @ \$3200/each	12,800	12,800
Geological mud logging service	5,300	5,300
Miscellaneous	4,000	4,000
Total intangible formation evaluation	45,100	45,100

Intangible completion costs

Unit cost 20 days @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		12,000
Miscellaneous	10,000	10,000
Total intangible completion costs	81,500	22,000

Tangible drilling costs and completion costs

Surface casing		
350' of 13 3/8"	7,750	7,750
Intermediate casing		
2900' of 8 5/8"	33,900	33,900
Production casing		
10000' of 5 1/2"	100,700	
Production tubing		
10000' of 2 3/8"	43,300	
Casing head	1,860	
Tubing head & casing spool	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	211,560	41,650

Lease equipment

Tanks 2	300	
HP Separator	6,600	
Flow lines	8,000	
Motor runs	3,000	
Pumping unit	1,800	
Installation costs	3,500	
Total lease equipment	22,900	

Intangible costs
Tangible costs
Total lease equipment

467,300
211,560
41,650
6,000
\$ 767,260

\$ 513,450

BEFORE EXAMINER
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 2217
SUBMITTED BY [Signature]
HEARING DATE 6/3/81

DATE 3/4/81
SUBMITTED BY [Signature]
HEARING DATE 6/3/81

Peck Hardee

Date: 3/4/81

"I recognized that the amounts provided for herein
estimated only, and approval of this authorization
shall extend to the actual costs incurred in conducting
the operations specified, whether more or less than
herein set out."

APPROVED BY:

Company

Date

LEASE Travis De Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, 660 FSL & 660 FWL, Eddy County, N.M.

COUNTY Eddy DEPTH 11,200'

PRODUCING FORMATION Morrow

Producing
Well Cost

Dry Hole
Cost

Drilling and completion costs

Intangible drilling costs

Location

Footage 11,200' @ \$29.50/ft.

Daywork 6 1/2 days @ \$6900/\$7110/day

Surface casing service

Intermediate casing service

Mud, water

Company supervisor, engineer

Rentals, coring service

Miscellaneous

Total intangible drilling costs

Intangible formation evaluation cost

Logs, CNL-D, DIL-Rxo

DST 6 @ \$3400/each

Geological mud logging service

Miscellaneous

Total intangible formation evaluation

Intangible completion costs

Unit cost 20 days @ \$1100/day

Production casing service

Completion fluid

Perforating/production logging

Treating

Company supervision

PTugging expense

Miscellaneous

Total intangible completion costs

Tangible drilling costs and completion costs

Surface casing

350' of 13 3/8"

Intermediate casing

2900' of 8 5/8"

Production casing

11200' of 5 1/2"

Production tubing

11200' of 2 3/8"

Casing head

Tubing head

Christmas tree

Subsurface equipment

Total tangible drilling costs and completion costs

Lease equipment

BEFORE EXAMINATION
CONSERVATION DIVISION
EXHIBIT NO. 3
7217
6/13/81
APPLICANT

300 Stack Pack

Separators

Pumping unit

Installation

Total lease equipment

Total intangible costs

Total tangible costs

Total lease equipment

Administrative

TOTAL COSTS

Prepared by: Peck Hardee

Date: 3/4/81

\$ 885,430

\$ 620,270

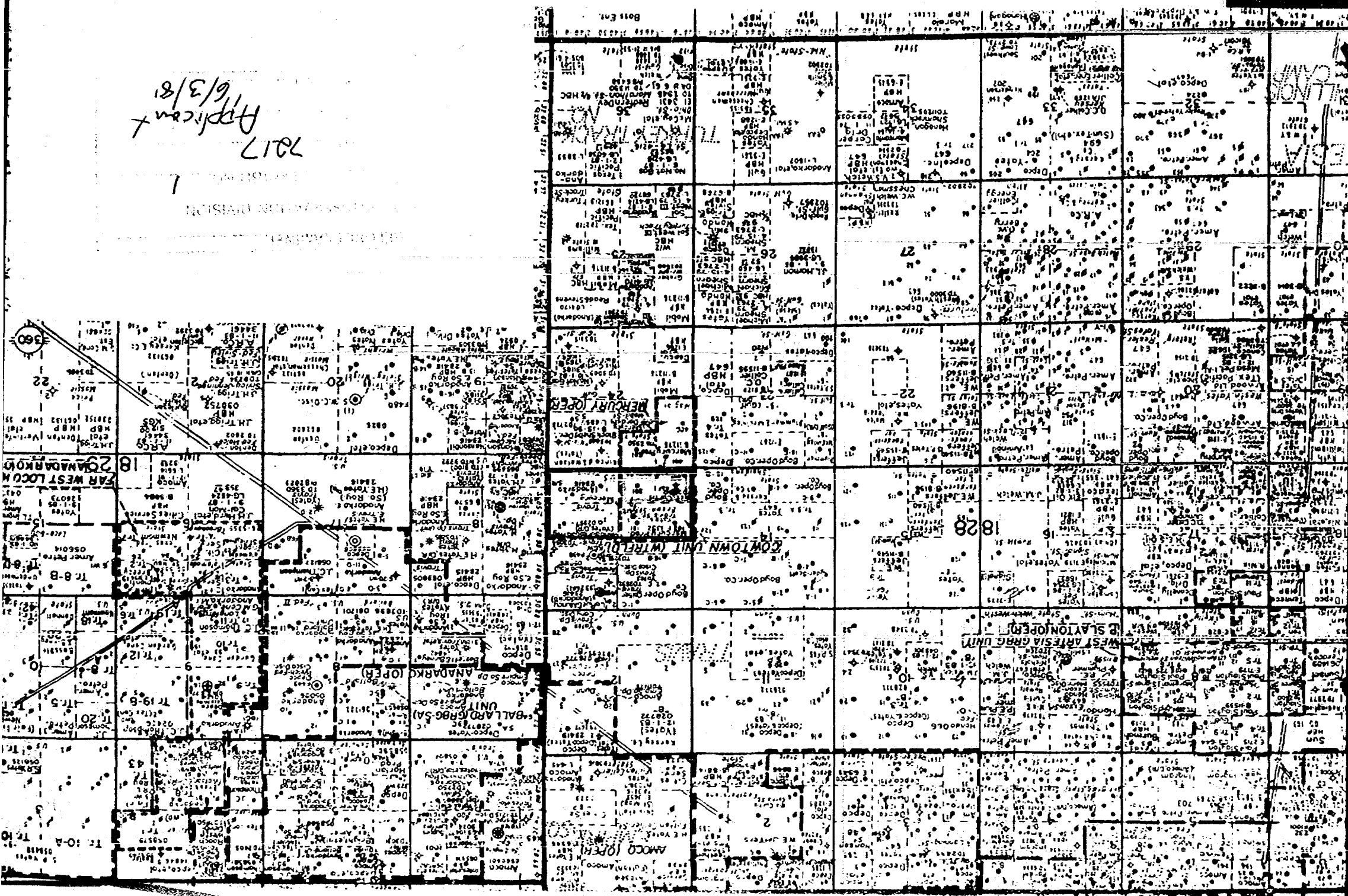
APPROVED BY:

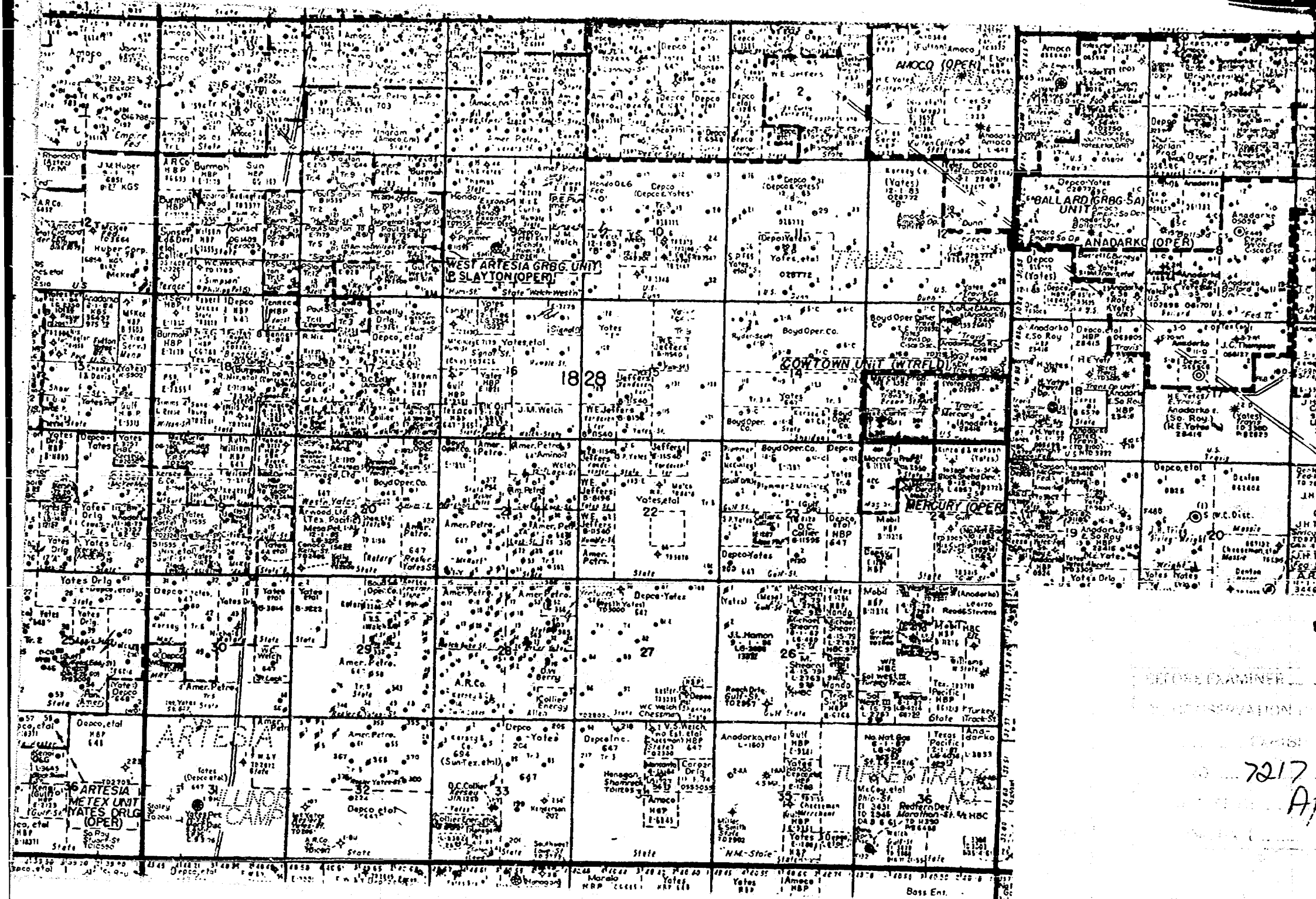
Company

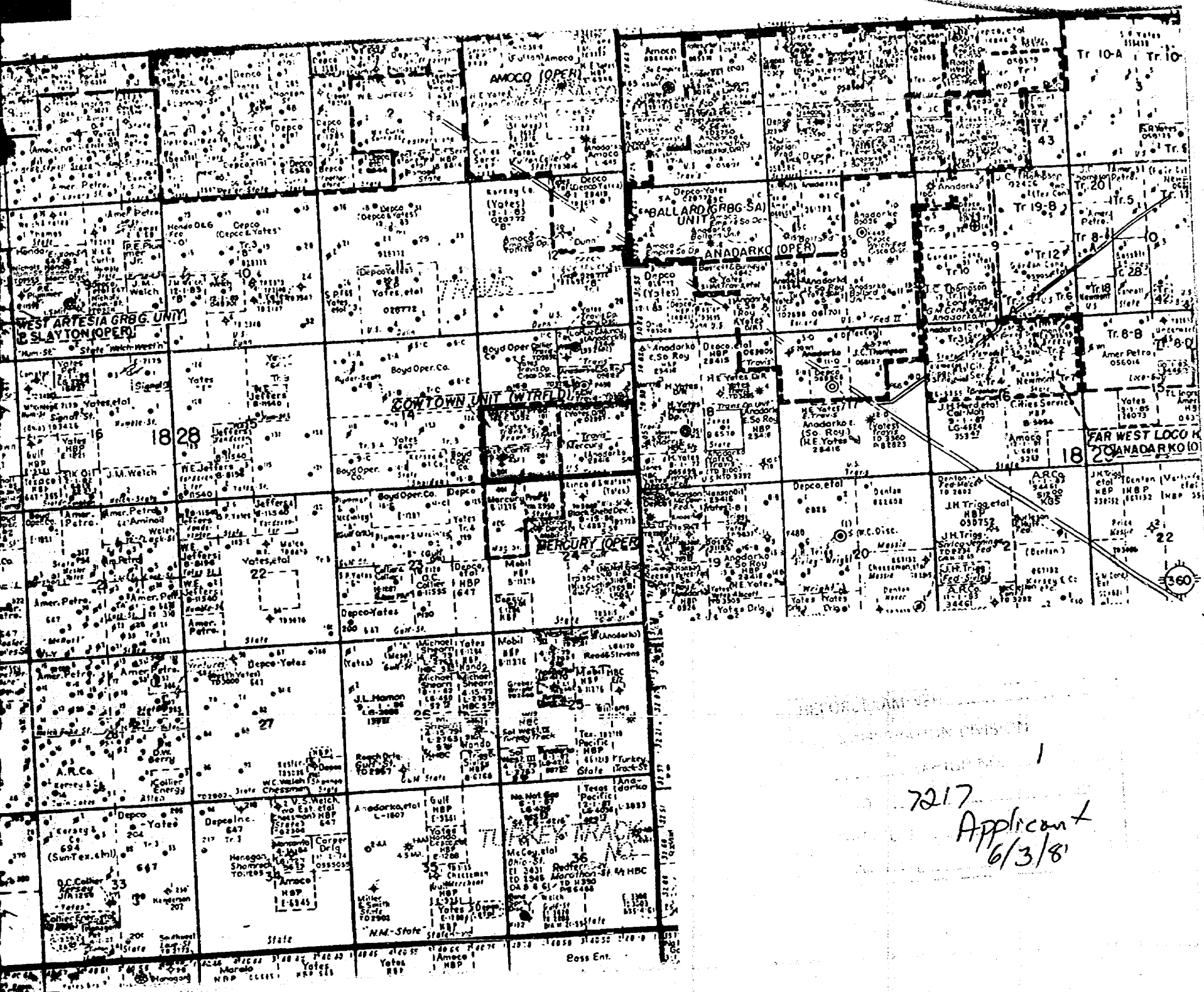
Date

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out."

7017
6/3/81
Applicant







7217
Applicant
6/3/81

LOCATION Section 13, T-18S, R-28E, 660 FSL & 660 FWL, Eddy County, N.M.

COUNTY Eddy

DEPTH 11,200'

PRODUCING FORMATION Morrow

Producing
Well Cost

Dry Hole
Cost

Drilling and completion costs

Intangible drilling costs

Location	\$ 12,000	\$ 12,000
Portage 11,200' @ \$29.50/ft.	330,400	330,400
Daywork 6 1/2 days @ \$6900/\$7110/day	55,620	55,620
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	25,000	25,000
Company supervisor, engineer	7,400	7,400
Rentals, coring service	28,000	28,000
Miscellaneous	13,500	13,500
Total intangible drilling costs	487,720	487,720

Intangible formation evaluation cost

Logs, CNI-D, DLL-Rxo	25,500	25,500
DST 6 @ \$3400/each	20,400	20,400
Geological mud logging service	7,500	7,500
Miscellaneous	6,000	6,000
Total intangible formation evaluation	59,400	59,400

Intangible completion costs

Unit cost 20 days @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
PTugging expense		15,000
Miscellaneous	10,000	12,000
Total intangible completion costs	81,500	27,000

Tangible drilling costs and completion costs

Surface casing		
350' of 13 3/8"	7,750	7,750
Intermediate casing		
2900' of 8 5/8"	33,900	33,900
Production casing		
11200' of 5 1/2"	113,500	
Production tubing		
11200' of 2 3/8"	48,150	
Casing head	1,860	
Tubing head	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	229,210	41,650

Lease equipment

Tanks 300	3,300	
Paraffin 53-Stack Pack	10,000	
Flow lines	3,000	
Power line	1,800	
Pumping unit		
Installation	3,500	
for lease equipment	21,600	
Total intangible costs	628,620	574,120
Total tangible costs	229,210	41,650
Total lease equipment	21,600	
Administrative	6,000	4,500

TOTAL COSTS

Prepared by: Peck Hardee

Date: 3/4/81

\$ 885,430

\$ 620,270

APPROVED BY:

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out."

Company

Date

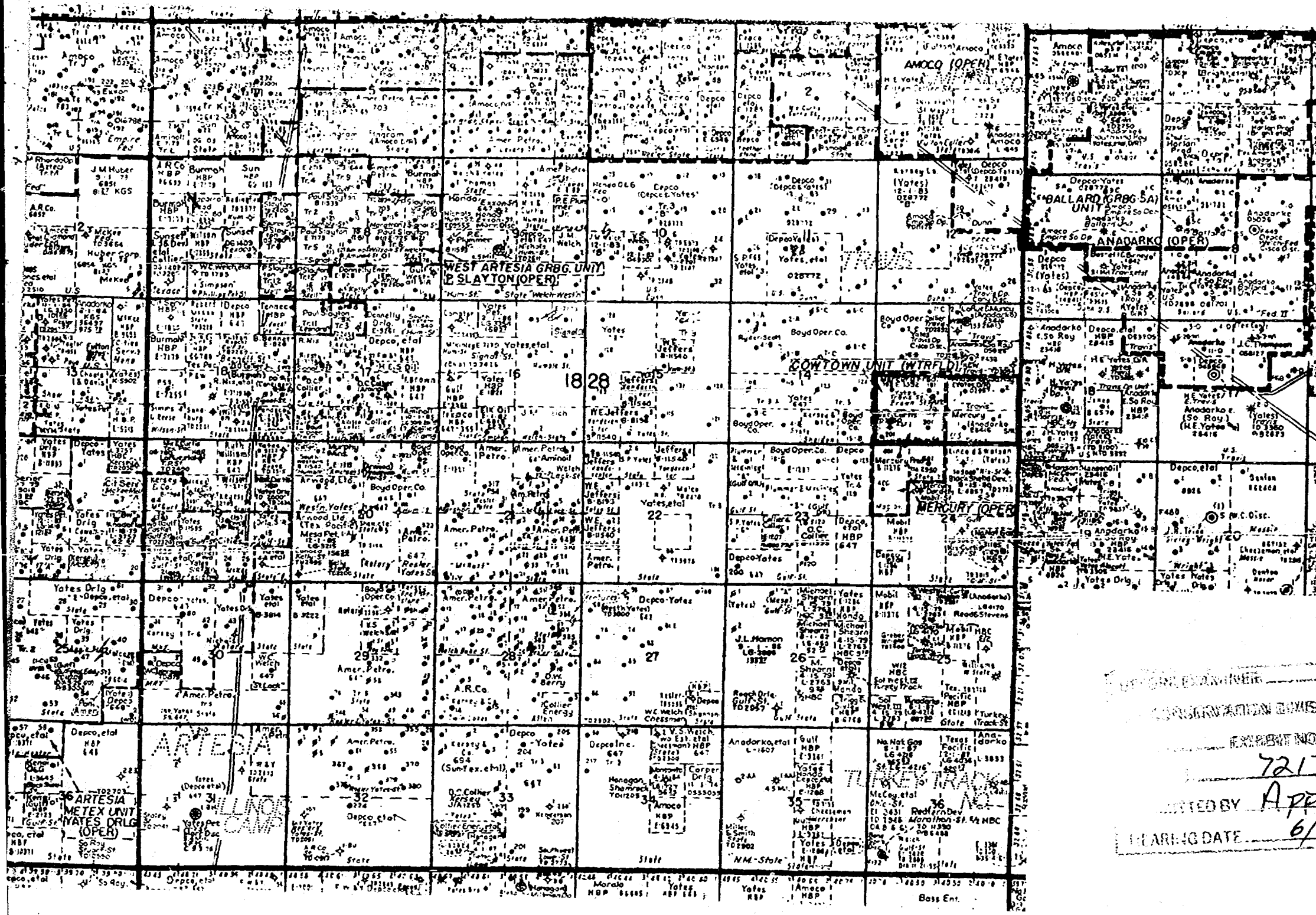


EXHIBIT NO. 7217
DATED BY App
HEARING DATE 6/3

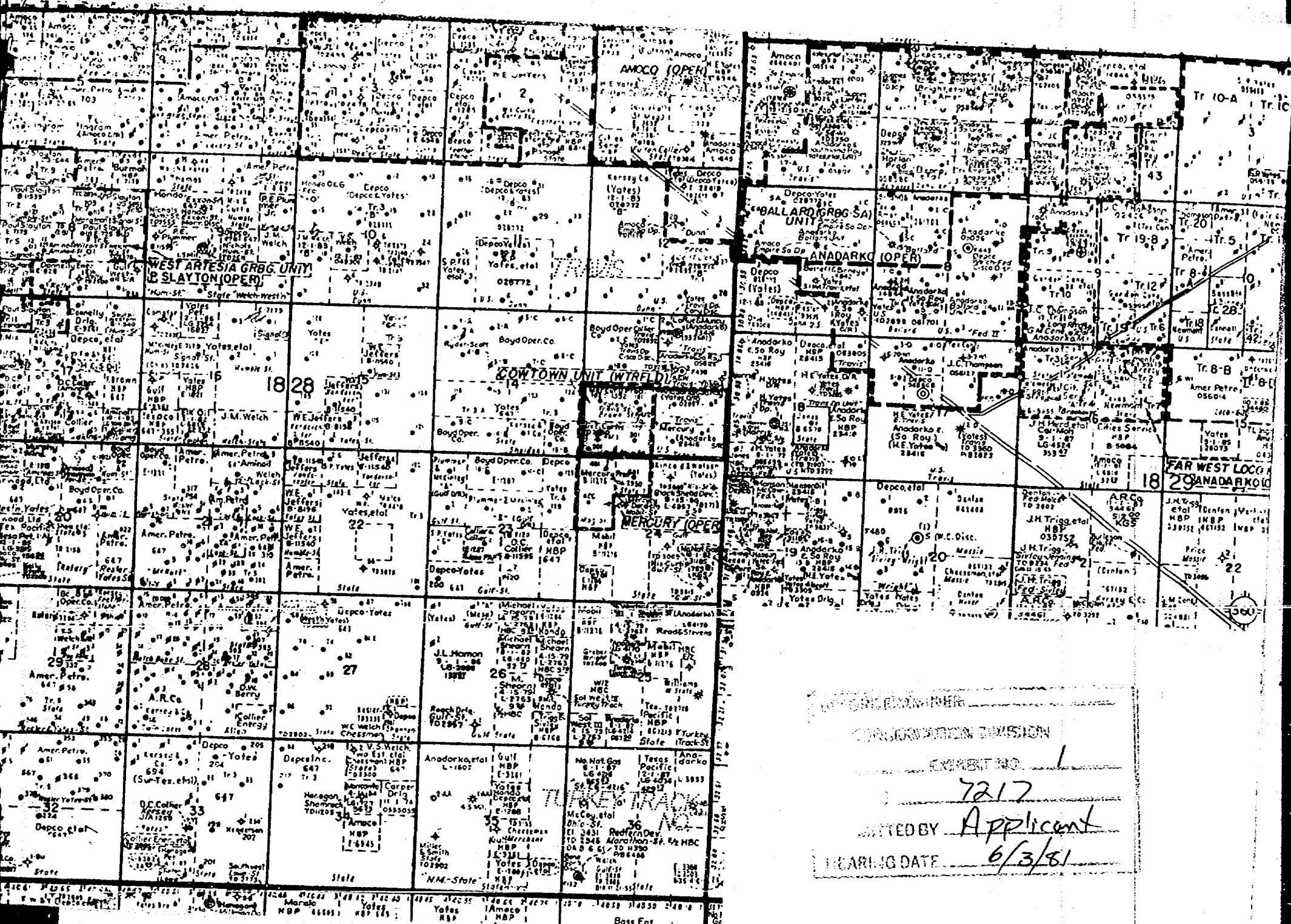


EXHIBIT NO. 1
7217
DATED BY Applicant
HEARING DATE 6/3/81

LEASE Travis Deep Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, 760' FSL & 660' FWL

COUNTY Eddy

DEPTH 10,000'

PRODUCING FORMATION Canyon

Drilling and completion costs

Intangible drilling costs

Location

Footage 10,000' @ \$27.50/ft.

Daywork 6 @ \$6900/day

Surface casing service

Intermediate casing service

Mud, water

Company supervisor, engineer

Rentals, coring service

Miscellaneous

Total intangible drilling costs

Intangible formation evaluation cost

Logs, CNL-D, DLI-Rxo,

DST 4 @ \$3200/each

Geological mud logging service

Miscellaneous

Total intangible formation evaluation

Intangible completion costs

Exit cost 20 days @ \$1100/day

Production casing service

Completion fluid

Perforating/production logging

Treating

Company supervision

Plugging expense

Miscellaneous

Total intangible completion costs

Tangible drilling costs and completion costs

Surface casing

350' of 13 3/8"

Intermediate casing

2900' of 8 5/8"

Production casing

10000' of 5 1/2"

Production tubing

10000' of 2 3/8"

Casing head

Tubing head & casing spool

Christmas tree

Subsurface equipment

Total tangible drilling costs and completion costs

Lease equipment

Tanks 2

300

HP

Separator

Flowline

Pump run

Lumping unit

Inflation

Total lease equipment

Total intangible costs

Total tangible costs

Total lease equipment

Total intangible costs

Total tangible costs

Prepared by: Peck Harder

Date: 3/4/81

Producing
Well CostDry Hole
Cost

\$ 12,000

275,000

41,400

3,800

12,000

20,000

6,000

20,000

10,000

400,200

\$ 12,000

275,000

41,400

3,800

12,000

20,000

6,000

20,000

10,000

400,200

23,000

12,800

5,300

4,000

45,100

22,000

20,000

2,000

12,500

10,000

5,000

10,000

81,500

23,000

12,800

5,300

4,000

45,100

12,000

10,000

22,000

7,750

33,900

100,700

43,300

1,860

13,100

6,950

4,000

211,560

7,750

33,900

6,600

8,000

3,000

1,800

3,500

22,900

526,800

211,560

22,900

6,000

\$ 767,260

467,300

41,650

4,500

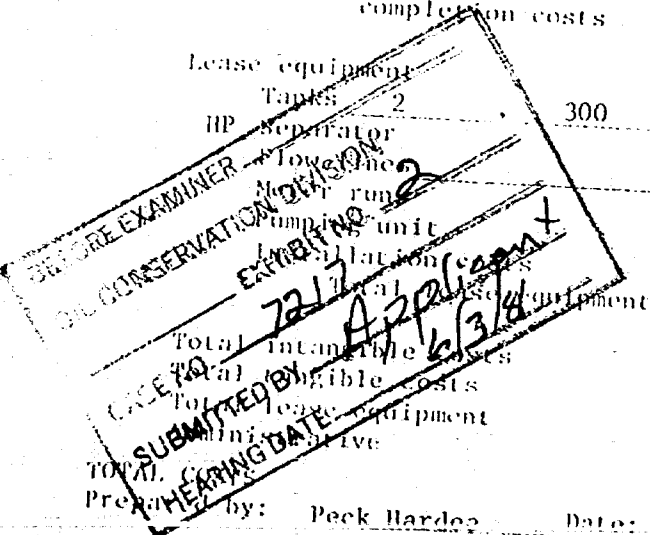
\$ 512,450

APPROVED BY:

Company

Date

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LEASE Travis De Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, ~~660~~⁷⁶⁰ FSL, & 660 FWL, Eddy County, N.M.

COUNTY Eddy

DEPTH 11,200'

PRODUCING FORMATION Morrow

Drilling and completion costs

Intangible drilling costs

Location

Footage 11,200' @ \$29.50/ft.

Daywork 6/2 days @ \$6900/\$7110/day

Surface casing service

Intermediate casing service

Mud, water

Company supervisor, engineer

Rentals, coring service

Miscellaneous

Total intangible drilling costs

Producing
Well CostDry Hole
Cost

\$ 12,000

\$ 12,000

330,400

330,400

55,620

55,620

3,800

3,800

12,000

12,000

25,000

25,000

7,400

7,400

28,000

28,000

13,500

13,500

487,720

487,720

Intangible formation evaluation cost

Logs, CNL-D, DLL-Rxo,

25,500

25,500

DST 6 @ \$3400/each

20,400

20,400

Geological mud logging service

7,500

7,500

Miscellaneous

6,000

6,000

Total intangible formation evaluation

59,400

59,400

Intangible completion costs

Unit cost 20 days @ \$1100/day

22,000

Production casing service

20,000

Completion fluid

2,000

Perforating/production logging

12,500

Treating

10,000

Company supervision

5,000

PTugging expense

Miscellaneous

10,000

15,000

Total intangible completion costs

81,500

12,000

Tangible drilling costs and completion costs

Surface casing

7,750

27,000

350' of 13 3/8"

Intermediate casing

7,750

7,750

2900' of 8.5/8"

Production casing

33,900

33,900

11200' of 5.1/2"

Production tubing

113,500

11200' of 2.3/8"

Casing head

48,150

Tubing head

1,860

Christmas tree

13,100

Subsurface equipment

6,950

Total tangible drilling costs and completion costs

4,000

229,210

41,650

Lease equipment

Link

Flanges

Water

Pump

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Tubing

Total intangible costs

628,620

574,120

Total tangible costs

229,210

41,650

Total lease equipment

21,600

Administrative

6,000

4,500

TOTAL COSTS

Prepared by: Peck Hardee

Date: 3/4/81

\$ 885,430

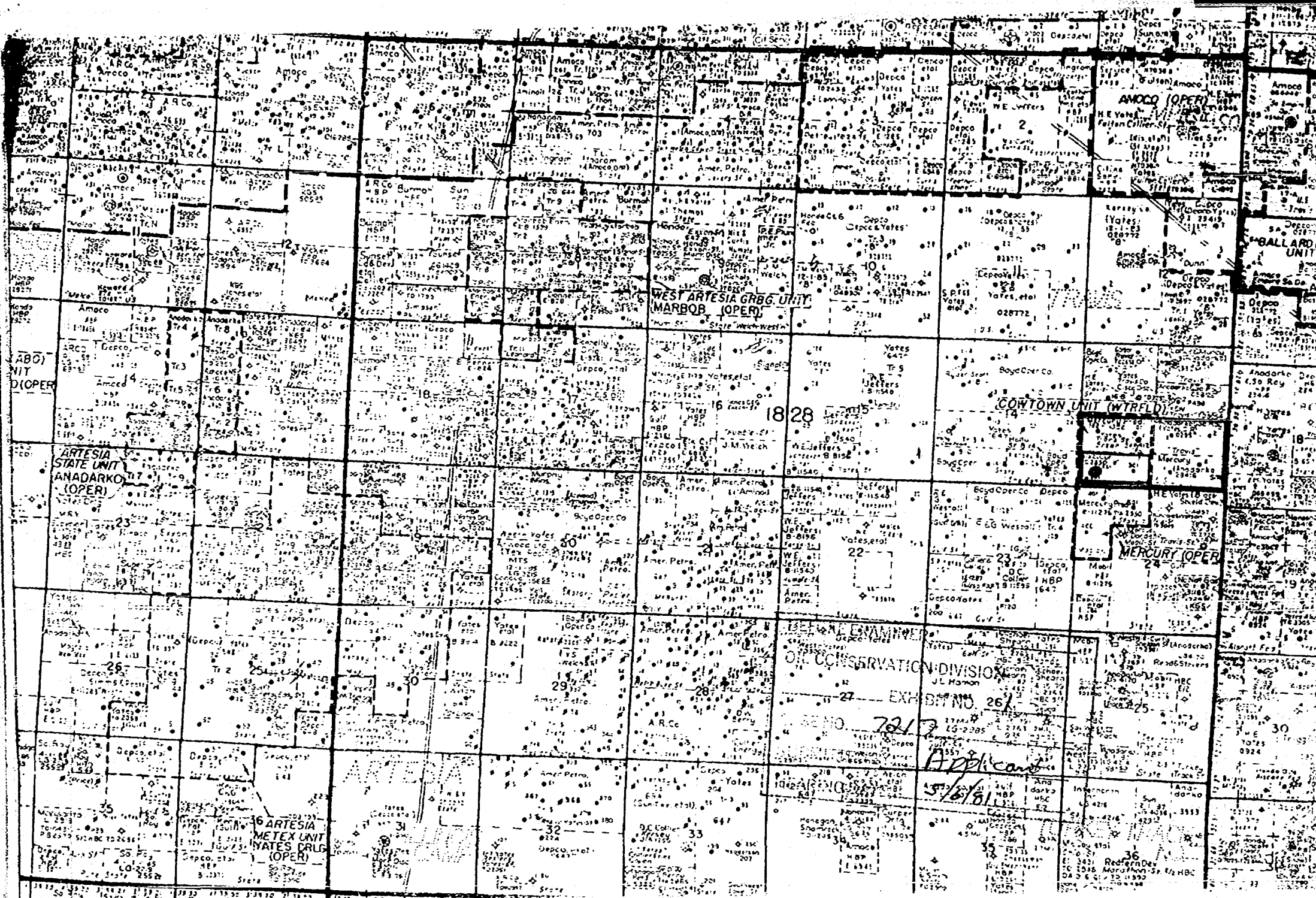
\$ 620,270

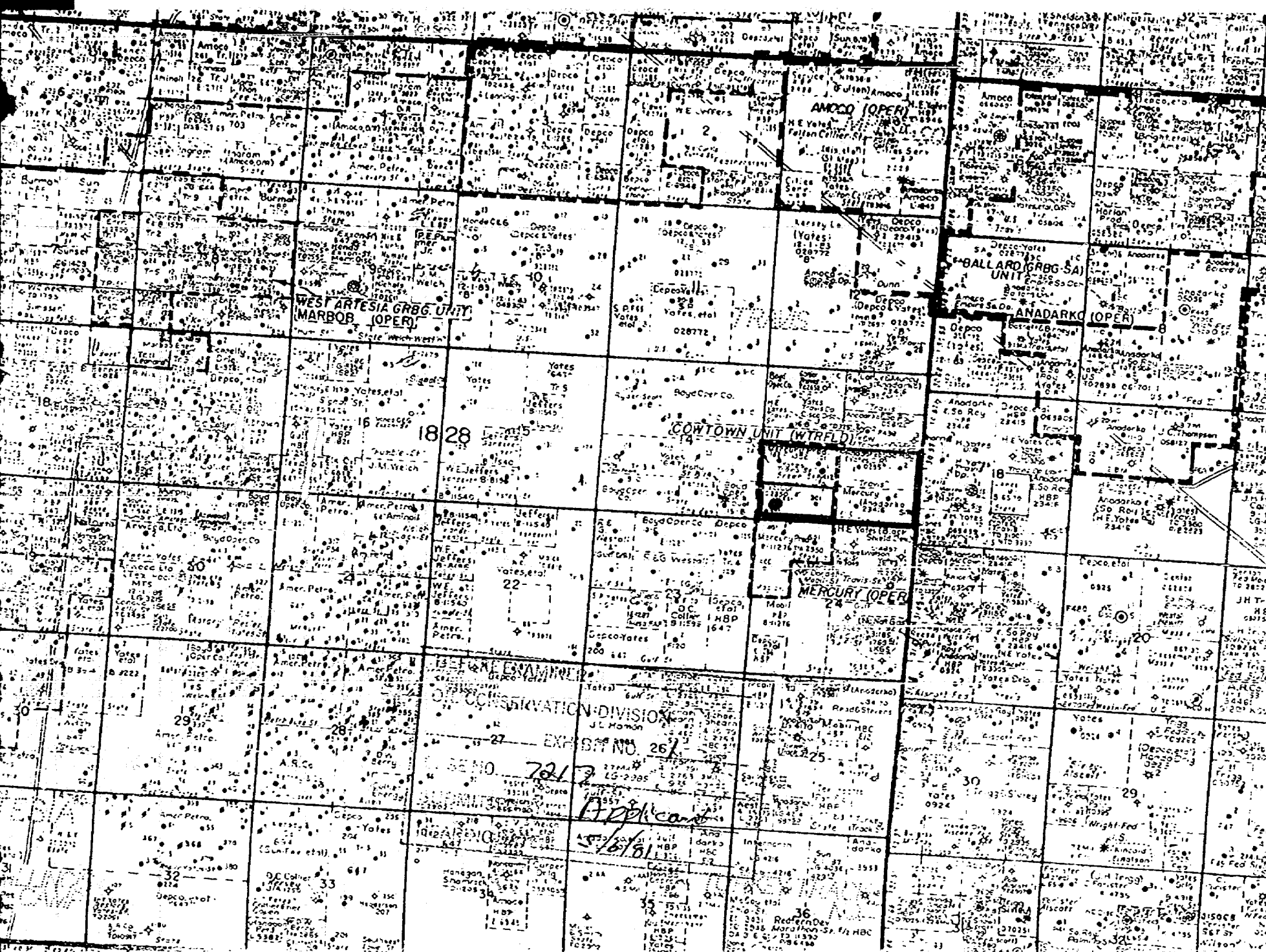
APPROVED BY:

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Company

Date





LOCATION Section 13, T-18S, R-28E, 660' FSL & 660' FWLCOUNTY EddyDEPTH 10,000'PRODUCING FORMATION Canyon

	Producing Well Cost	Dry Hole Cost
Drilling and completion costs		
Intangible drilling costs		
Location	\$ 12,000	\$ 12,000
Footage <u>10,000'</u> @ \$27.50/ft.	275,000	275,000
Daywork <u>6</u> @ \$6900/day	41,400	41,400
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	20,000	20,000
Company supervisor, engineer	6,000	6,000
Rentals, coring service	20,000	20,000
Miscellaneous	10,000	10,000
Total intangible drilling costs	400,200	400,200
Intangible formation evaluation cost		
Logs, <u>CNL-D</u> , <u>DLL-Rxo</u>	23,000	23,000
DST <u>4</u> @ \$3200/each	12,800	12,800
Geological mud logging service	5,300	5,300
Miscellaneous	4,000	4,000
Total intangible formation evaluation	45,100	45,100
Intangible completion costs		
Unit cost <u>20 days</u> @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		12,000
Miscellaneous	10,000	10,000
Total intangible completion costs	81,500	22,000
Tangible drilling costs and completion costs		
Surface casing		
<u>350'</u> of <u>13 3/8"</u>	7,750	7,750
Intermediate casing		
<u>2900'</u> of <u>8 5/8"</u>	33,900	33,900
Production casing		
<u>10000'</u> of <u>5 1/2"</u>	100,700	
Production tubing		
<u>10000'</u> of <u>2 3/8"</u>	43,300	
Casing head	1,860	
Tubing head & casing spool	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	211,560	41,650
Lease equipment		
Tanks <u>2</u> , <u>300</u>	6,600	
HP Separator	8,000	
Flow lines	3,000	
Meter runs	1,800	
Pumping unit	3,500	
Installation costs	22,900	
Total lease equipment	45,800	
Total intangible costs		467,300
Total tangible costs	211,560	41,650
Total lease equipment	45,800	
Administrative	6,000	4,500
	\$ 767,260	\$ 513,450
by: <u>Peck Hardce</u> Date: <u>3/4/81</u>		

BEFORE EXAMINER

OIL CONSERVATION DIVISION

EXHIBIT NO.

SUBMITTED BY

HEARING DATE

Recognized that the amounts provided for herein
estimated only, and approval of this authorization
extend to the actual costs incurred in conducting
operations specified, whether more or less than
a set out."

APPROVED BY:

Company

Date

LEASE Travis Deep Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, 660 FSL & 660 FWL, Eddy County, N.M.COUNTY EddyDEPTH 11,200'

PRODUCING FORMATION

Borrow

	Producing Well Cost	Dry Hole Cost
Drilling and completion costs		
Intangible drilling costs		
Location	\$ 12,000	\$ 12,000
Footage <u>11,200'</u> @ \$29.50/ft.	330,400	330,400
Daywork <u>6/2 days</u> @ \$6900/\$7110/day	55,620	55,620
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	25,000	25,000
Company supervisor, engineer	7,400	7,400
Rentals, coring service	28,000	28,000
Miscellaneous	13,500	13,500
Total intangible drilling costs	487,720	487,720
Intangible formation evaluation cost		
Logs, <u>CNI-D</u> , <u>DLL-Rxo</u>	25,500	25,500
DST <u>6</u> @ \$3400/each	20,400	20,400
Geological mud logging service	7,500	7,500
Miscellaneous	6,000	6,000
Total intangible formation evaluation	59,400	59,400
Intangible completion costs		
Unit cost <u>20 days</u> @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		15,000
Miscellaneous	10,000	12,000
Total intangible completion costs	81,500	27,000
Tangible drilling costs and completion costs		
Surface casing		
<u>350'</u> of <u>13 3/8"</u>	7,750	7,750
Intermediate casing		
<u>2900'</u> of <u>8 5/8"</u>	33,900	33,900
Production casing		
<u>11200'</u> of <u>5 1/2"</u>	113,500	
Production tubing		
<u>11200'</u> of <u>2 3/8"</u>	48,150	
Casing head	1,860	
Tubing head	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	229,210	41,650
Lease equipment		
Tanks <u>1</u> <u>300</u>	3,300	
Separator <u>5M-Stack Pack</u>	10,000	
Flow lines	3,000	
Meter runs	1,800	
Pumping unit		
Installation costs	3,500	
Total lease equipment	21,600	
Total intangible costs	628,620	574,120
Total tangible costs	229,210	41,650
Total lease equipment	21,600	
Administrative	6,000	4,500
TOTAL COSTS	\$ 885,430	\$ 620,270
By <u>Peck Hardee</u> Date: <u>3/4/81</u>		

BEFORE EXAMINER

OIL CONSERVATION DIVISION

EXHIBIT NO. 3

7217

APPROVED BY: Applicant

5/6/81

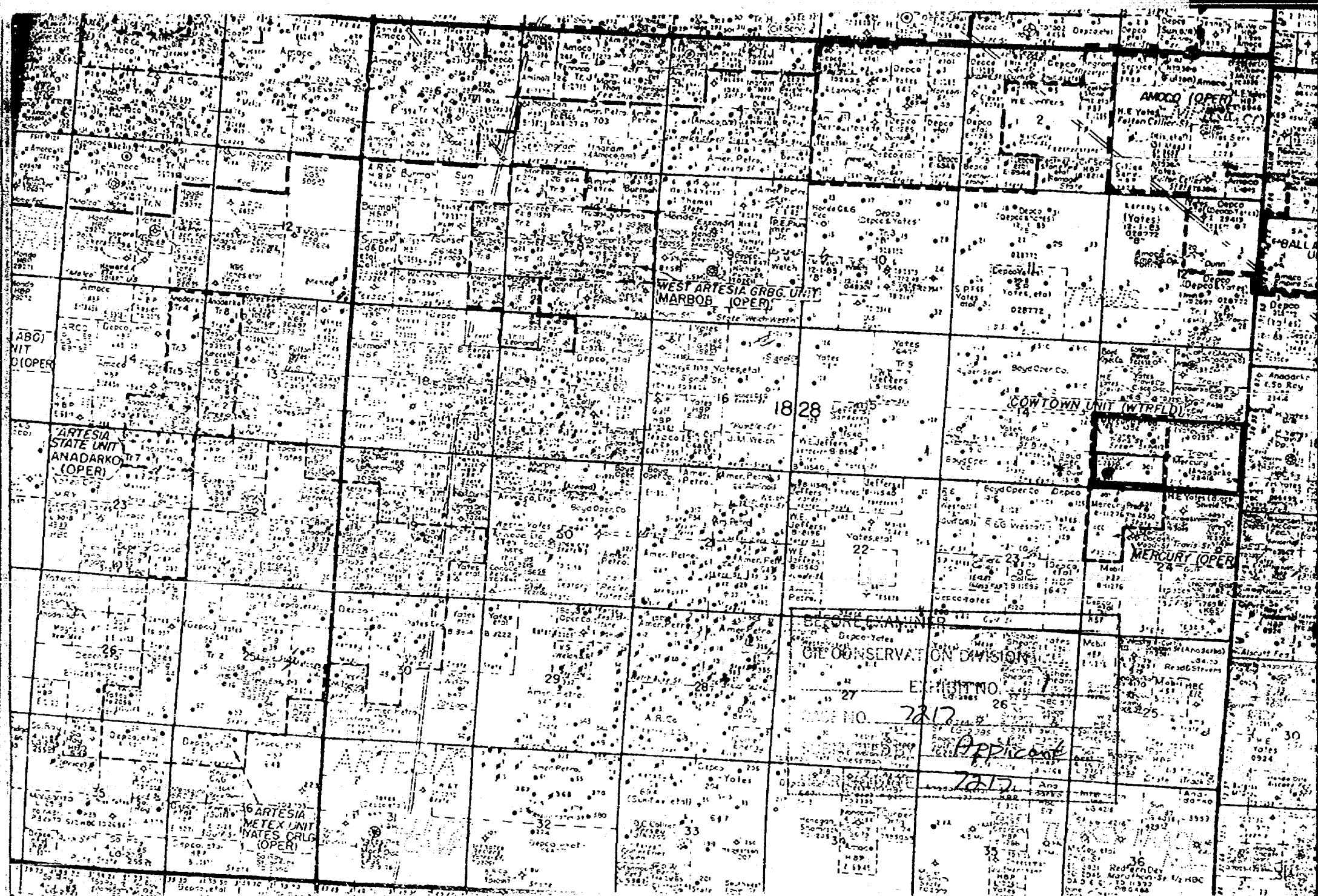
HEARING DATE

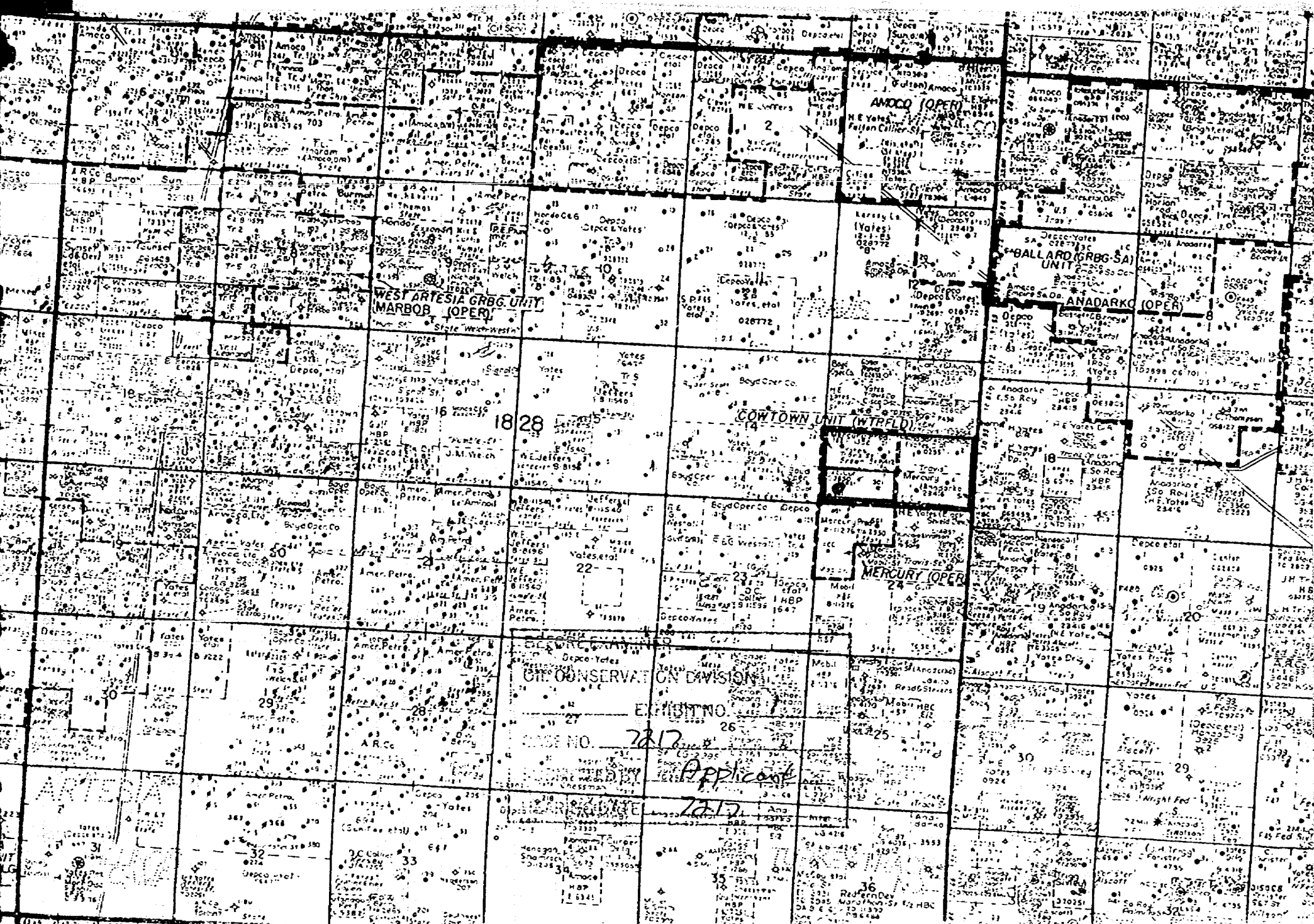
APPROVED BY:

Company

Date

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LEASE Travis Deep Ohio Com

WELL NUMBER

1

LOCATION Section 13, T-18S, R-28E, 660' FSL & 660' FWLCOUNTY EddyDEPTH 10,000'

PRODUCING FORMATION

CanyonProducing
Well CostDry Hole
Cost

Drilling and completion costs

Intangible drilling costs

Location	\$ 12,000	\$ 12,000
Footage 10,000' @ \$27.50/ft.	275,000	275,000
Daywork 6 @ \$6900/day	41,400	41,400
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	20,000	20,000
Company supervisor, engineer	6,000	6,000
Rentals, coring service	20,000	20,000
Miscellaneous	10,000	10,000
Total intangible drilling costs	400,200	400,200

Intangible formation evaluation cost

Logs, CNL-D, DLI-Rxo,	23,000	23,000
DST 4 @ \$3200/each	12,800	12,800
Geological mud logging service	5,300	5,300
Miscellaneous	4,000	4,000
Total intangible formation evaluation	45,100	45,100

Intangible completion costs

Unit cost > 20 days @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		12,000
Miscellaneous	10,000	10,000
Total intangible completion costs	81,500	22,000

Tangible drilling costs and completion costs

Surface casing		
350' of 13 3/8"	7,750	7,750
Intermediate casing		
2900' of 8 5/8"	33,900	33,900
Production casing		
10000' of 5 1/2"	100,700	
Production tubing		
10000' of 2 3/8"	43,300	
Casing head	1,860	
Tubing head & casing spool	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	211,560	41,650

Lease equipment

Tanks 2	300	6,600
HP Separator		8,000
Flow lines		3,000
Meter runs		1,800
Pumping unit		3,500
Installation costs		22,900
Total lease equipment		22,900

Total intangible costs

526,800

467,300

Total tangible costs

211,560

41,650

Total lease equipment

22,900

Administrative

6,000

4,500

TOTAL COSTS

\$ 767,260

\$ 513,450

Prepared by: Peck HardeeDate: 3/4/81

APPROVED BY:

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out."

Company

Date

LEASE Travis Deep Ohio Com WELL NUMBER 1
 LOCATION Section 13, T-18S, R-28E, 660 PSL & 660 FWL, Eddy County, N.M.
 COUNTY Eddy DEPTH 11,200' PRODUCING FORMATION Morrow

	Producing Well Cost	Dry Hole Cost
Drilling and completion costs		
Intangible drilling costs		
Location	\$ 12,000	\$ 12,000
Footage <u>11,200'</u> @ <u>\$29.50/ft.</u>	330,400	330,400
Daywork <u>6 1/2 days</u> @ <u>\$6900/\$7110/day</u>	55,620	55,620
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	25,000	25,000
Company supervisor, engineer	7,400	7,400
Rentals, coring service	28,000	28,000
Miscellaneous	13,500	13,500
Total intangible drilling costs	487,720	487,720
Intangible formation evaluation cost		
Logs, <u>CNL-D</u> , <u>DLL-Rxo</u>	25,500	25,500
DST <u>6</u> @ <u>\$3400/each</u>	20,400	20,400
Geological mud logging service	7,500	7,500
Miscellaneous	6,000	6,000
Total intangible formation evaluation	59,400	59,400
Intangible completion costs		
Unit cost <u>20 days</u> @ <u>\$1100/day</u>	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		15,000
Miscellaneous	10,000	12,000
Total intangible completion costs	81,500	27,000
Tangible drilling costs and completion costs		
Surface casing		
<u>350'</u> of <u>13 3/8"</u>	7,750	7,750
Intermediate casing		
<u>2900'</u> of <u>8 5/8"</u>	33,900	33,900
Production casing		
<u>11200'</u> of <u>5 1/2"</u>	113,500	
Production tubing		
<u>11200'</u> of <u>2 3/8"</u>	48,150	
Casing head	1,860	
Tubing head	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	229,210	41,650
Lease equipment		
Tanks <u>300</u>	3,300	
Separator <u>500-Stack Pack</u>	10,000	
Flow lines	3,000	
Meter runs	1,800	
Pumping unit		
Installation costs	3,500	
Total lease equipment	21,600	
Total intangible costs	628,620	574,120
Total tangible costs	229,210	41,650
Total lease equipment	21,600	
Administrative	6,000	4,500
TOTAL COSTS	\$ 885,430	\$ 620,270

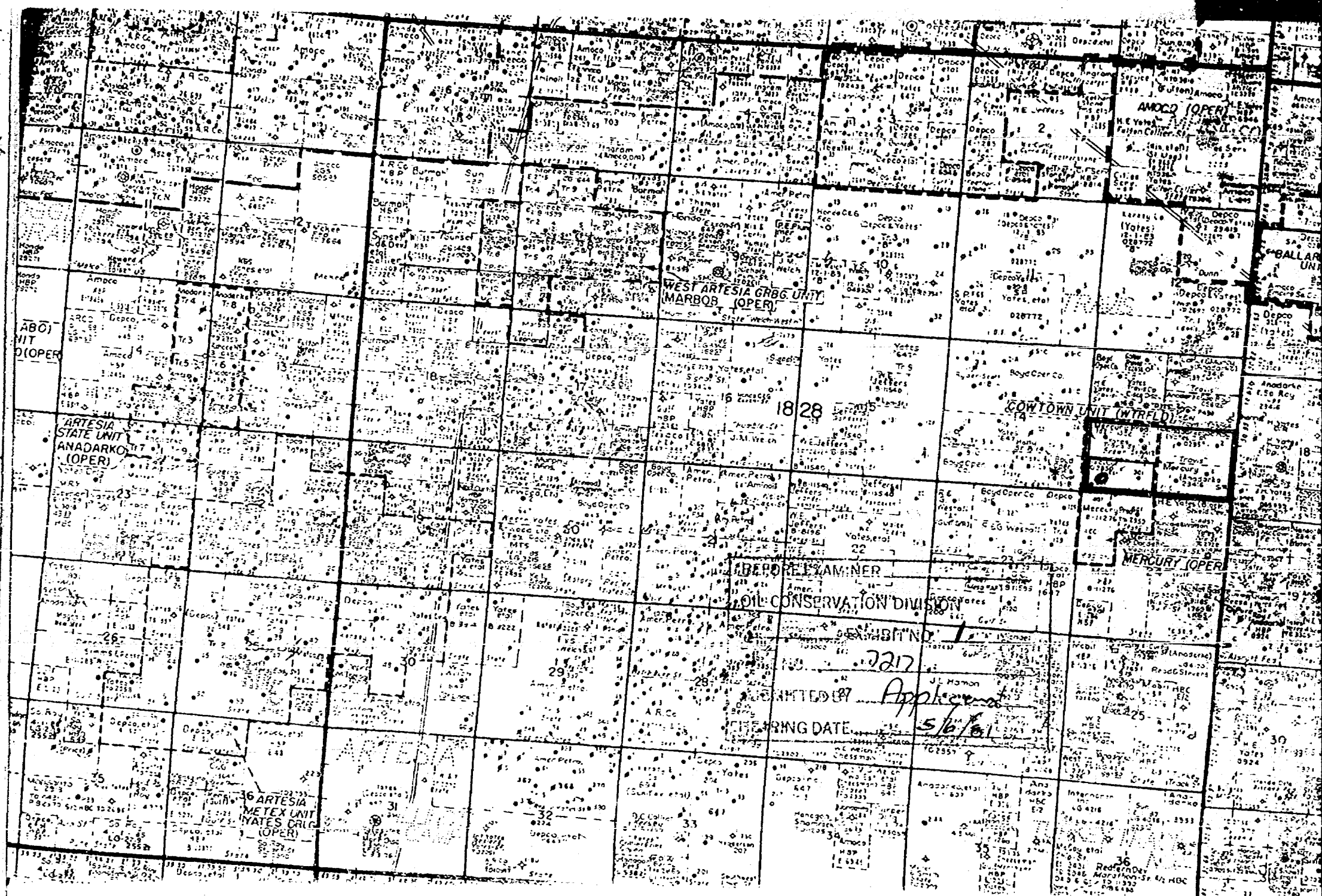
Prepared by: Peck Hardee Date: 3/4/81

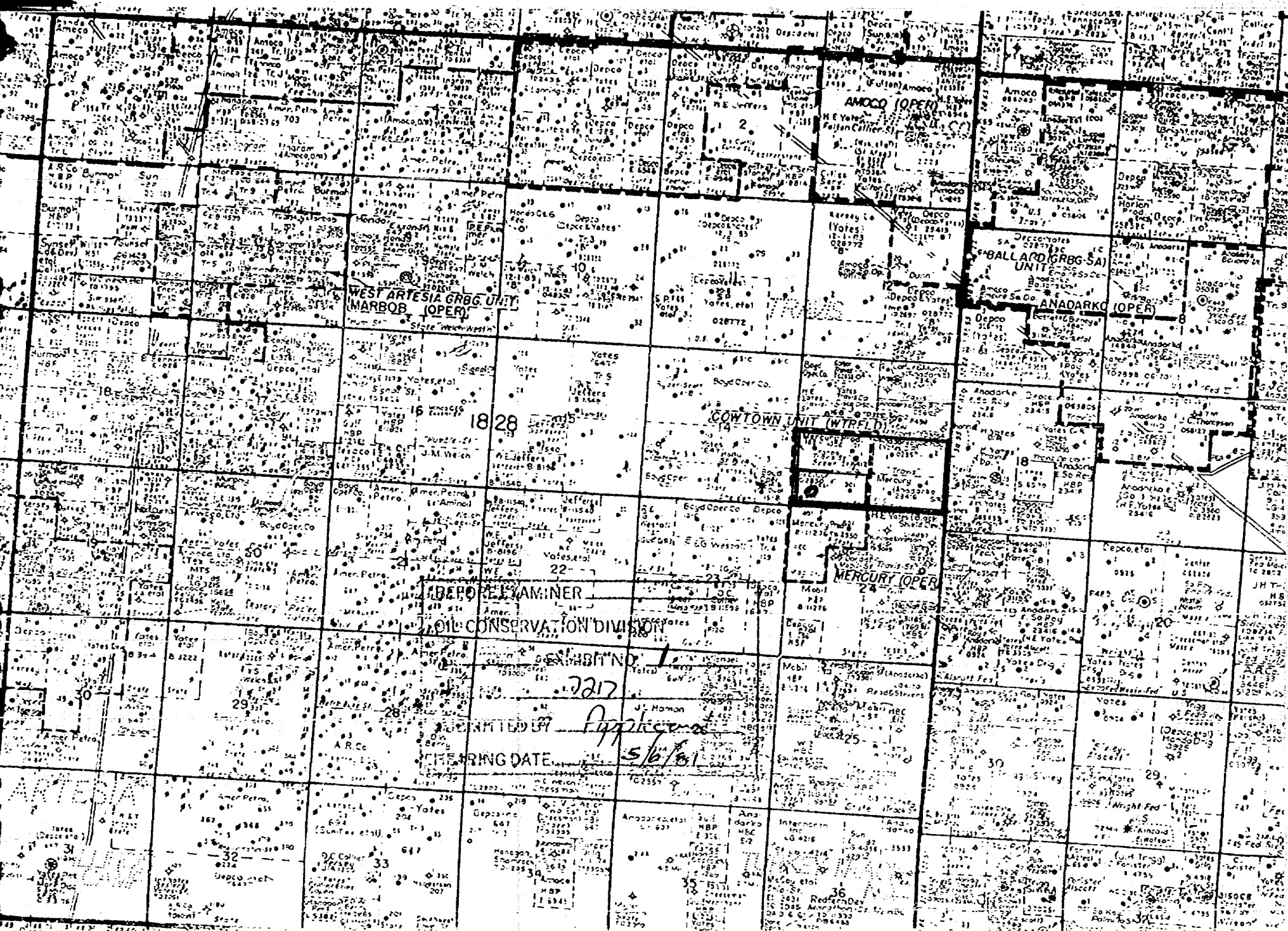
APPROVED BY:

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Company

Date





LOCATION Section 13, T-18S, R-28E, 660' FSL & 660' FWL

COUNTY Eddy

DEPTH 10,000'

PRODUCING FORMATION Canyon

Drilling and completion costs

Intangible drilling costs

	Producing Well Cost	Dry Hole Cost
Location	\$ 12,000	\$ 12,000
Footage 10,000' @ \$27.50/ft.	275,000	275,000
Daywork 6 @ \$6900/day	41,400	41,400
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	20,000	20,000
Company supervisor, engineer	6,000	6,000
Rentals, coring service	20,000	20,000
Miscellaneous	10,000	10,000
Total intangible drilling costs	400,200	400,200

Intangible formation evaluation cost

Logs, CNL-D, DLL-Rxo,	23,000	23,000
DST 4 @ \$3200/each	12,800	12,800
Geological mud logging service	5,300	5,300
Miscellaneous	4,000	4,000
Total intangible formation evaluation	45,100	45,100

Intangible completion costs

Unit cost 20 days @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		12,000
Miscellaneous	10,000	10,000
Total intangible completion costs	81,500	22,000

Tangible drilling costs and completion costs

Surface casing		
350' of 13 3/8"	7,750	7,750
Intermediate casing		
2900' of 8 5/8"	33,900	33,900
Production casing		
10000' of 5 1/2"	100,700	
Production tubing		
10000' of 2 3/8"	43,300	
Casing head	1,860	
Tubing head & casing spool	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	211,560	41,650

Lease equipment

Tanks 300	6,600	
HP Separator	8,000	
Flow lines	3,000	
Meter runs	1,800	
Pumping unit	3,500	
Installation	22,900	
Total lease equipment		

Total intangible costs

Total tangible costs

Total lease equipment

Administrative

TOTAL COSTS

Prepared by: Peck Hardee Date: 3/4/81

APPROVED BY:

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out."

Company

Date

LOCATION Section 13, T-18S, R-28E, 660 FSL & 660 FWL, Eddy County, N.M.COUNTY EddyDEPTH 11,200'PRODUCING FORMATION Morrow

	Producing Well Cost	Dry Hole Cost
Drilling and completion costs		
Intangible drilling costs		
Location	\$ 12,000	\$ 12,000
Footage <u>11,200'</u> @ \$29.50/ft.	330,400	330,400
Daywork <u>6 1/2 days</u> @ \$6900/\$7110/day	55,620	55,620
Surface casing service	3,800	3,800
Intermediate casing service	12,000	12,000
Mud, water	25,000	25,000
Company supervisor, engineer	7,400	7,400
Rentals, coring service	28,000	28,000
Miscellaneous	13,500	13,500
Total intangible drilling costs	487,720	487,720
Intangible formation evaluation cost		
Logs, <u>CNL-D</u> , <u>DLL-Rxo</u>	25,500	25,500
DST <u>6</u> @ \$3400/each	20,400	20,400
Geological mud logging service	7,500	7,500
Miscellaneous	6,000	6,000
Total intangible formation evaluation	59,400	59,400
Intangible completion costs		
Unit cost <u>20 days</u> @ \$1100/day	22,000	
Production casing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500	
Treating	10,000	
Company supervision	5,000	
Plugging expense		15,000
Miscellaneous	10,000	12,000
Total intangible completion costs	81,500	27,000
Tangible drilling costs and completion costs		
Surface casing		
<u>350'</u> of <u>13 3/8"</u>	7,750	7,750
Intermediate casing		
<u>2900'</u> of <u>8 5/8"</u>	33,900	33,900
Production casing		
<u>11200'</u> of <u>5 1/2"</u>	113,500	
Production tubing		
<u>11200'</u> of	48,150	
Casing head	1,860	
Tubing head	13,100	
Christmas tree	6,950	
Subsurface equipment	4,000	
Total tangible drilling costs and completion costs	229,210	41,650
Lease equipment		
Tanks <u>1</u>	3,300	
Separator <u>5M-Stack Pack</u>	10,000	
Flow lines	3,800	
Meter runs	1,800	
Pumping unit		
Installation costs	3,500	
Total lease equipment	21,600	
Total intangible costs	628,620	574,120
Total tangible costs	229,210	41,650
Total lease equipment	21,600	
Administrative	6,000	4,500
TOTAL COSTS	\$ 885,430	\$ 620,270
Prepared by: <u>Peck Hardee</u> Date: <u>3/4/81</u>		

BEFORE EXAMINER
OIL CONSERVATION DIVISION
EXHIBIT NO. 3
7217
SUBMITTED BY Applicant
HEARING DATE 5/6/81

APPROVED BY:

"It is recognized that the amounts provided for herein are estimated only, and approval of this authorization shall extend to the actual costs incurred in conducting the operations specified, whether more or less than herein set out."

Company

Date

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
8 April 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Com-
pany for an unorthodox gas well
location, Eddy County, New Mexico.

CASE
7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7217.

MR. PADILLA: Application of Harvey E.
Yates Company for an unorthodox gas well location, Eddy County,
New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the May 6th Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a true and correct copy of the transcript
of the hearing held on 7212
H-8 21
Richard L. Thomas
Chairman

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
8 April 1981

EXAMINER HEARING

IN THE MATTER OF:)
)
Application of Harvey E. Yates Com-)
pany for an unorthodox gas well) CASE
location, Eddy County, New Mexico.) 7217
)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7217.

MR. PADILLA: Application of Harvey E.
Yates Company for an unorthodox gas well location, Eddy County,
New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the May 6th Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the hearing held on _____, 19____,
heard by me on _____, 19____.

_____, Examiner
Oil Conservation Division

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Dockets Nos. 14-81 and 15-81 are tentatively set for April 22 and May 6, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 8, 1981

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 7086: (Continued from the January 14, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7210: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Hat Mesa Unit Area, comprising 2197 acres, more or less, of State and Federal lands in Township 21 South, Range 33 East.

CASE 7211: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Rock Lake State Unit Area, comprising 2880 acres, more or less, of State land in Township 22 South, Range 35 East.

CASE 7212: Application of Bass Enterprises Production Co. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Poker Lake Unit Well No. 50 located in Unit C of Section 4, Township 25 South, Range 31 East, to produce gas from the Atoka and Wolfcamp formations through the tubing and casing-tubing annulus, respectively.

CASE 7213: Application of Exxon Company USA for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its J. L. Greenwood Well No. 13 located in Unit L of Section 9, Township 22 South, Range 37 East, to produce oil from the Brunson-Fusselman Pool through tubing and commingled Blinebry and Tubb production through the casing-tubing annulus.

CASE 7214: Application of Pioneer Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Basin-Dakota production in the wellbore of its Dustin Well No. 1E located in Unit 3 of Section 6, Township 29 North, Range 12 West.

CASE 7215: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Penn location of its Willow Lake Unit Well No. 4Y to be drilled 1980 feet from the South line and 660 feet from the West line of Section 14, Township 24 South, Range 28 East, the S/2 of said Section 14 to be dedicated to the well.

CASE 7216: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Chacon-Dakota production in the wellbore of its Jicarilla 396 Well No. 1 located in the NE/4 of Section 8, Township 23 North, Range 3 West.

CASE 7217: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Com Well No. 1 to be drilled 660 feet from the South and West lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7218: 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 Wolfcamp-Penn location of its Federal "BQ" Well No. 7 to be drilled 660 feet from the North line and 990 feet from the West line of Section 27, Township 17 South, Range 25 East, the N/2 of said Section 27 to be dedicated to the well.

CASE 7165: (Readvertised)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger, Strawn, McKee, and Devonian formations, Langley Field, underlying the N/2 of Section 33, Township 22 South, Range 36 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7219: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production and designated as the North Bluit-San Andres Gas Pool. The discovery well is Holly Energy, Inc. Holly 27 Federal Well No. 1 located in Unit J of Section 27, Township 7 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM
Section 27: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bootleg Ridge-Morrow Gas Pool. The discovery well is Pogo Production Company NBR Well No. 1 located in Unit J of Section 18, Township 22 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 18: E/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Bunting Ranch-Morrow Gas Pool. The discovery well is Mitchell Energy Corporation State 36 Well No. 1 located in Unit B of Section 36, Township 9 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
Section 36: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West LaRica-Morrow Gas Pool. The discovery well is Sun Oil Company Pennzoil Federal Com Well No. 1 located in Unit J of Section 29, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 29: E/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pronghorn-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation Pronghorn Unit Well No. 1 located in Unit C of Section 6, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 6: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Scharb-Wolfcamp Pool. The discovery well is Southland Royalty Company Scharb "4" Well No. 2 located in Unit F of Section 4, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 4: NW/4

(g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Springer Basin-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation Phillips KH Federal Com Well No. 1 located in Unit H of Section 23, Township 14 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 14: E/2
Section 23: E/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the North Townsend-Mississippian Gas Pool. The discovery well is U.S. Operating, Inc. Leavelle Well No. 1 located in Unit B of Section 23, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 23: N/2

- (i) EXTEND the Bowers-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPH
Section 4: SE/4

- (j) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPH
Section 11: E/2
Section 14: N/2

- (k) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPH
Section 9: SW/4

- (l) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPH
Section 11: E/2
Section 12: W/2

- (m) EXTEND the Carson-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPH
Section 10: S/2
Section 15: N/2

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

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPH
Section 18: NE/4

- (o) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPH
Section 27: SW/4

- (p) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPH
Section 22: SW/4

- (q) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPH
Section 33: W/2 and SE/4

- (r) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPH
Section 17: N/2

- (s) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPH
Section 19: S/2
Section 30: W/2

- (t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPH
Section 13: NW/4

- (u) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPH
Section 13: S/2
Section 24: E/2

- (ii) EXTEND the West Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
 Section 21: S/2
 Section 28: N/2

- (jj) EXTEND the Scoggin Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
 Section 3: W/2
 Section 4: All
 Section 10: W/2

- (kk) EXTEND the East Terry-Blinberry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
 Section 31: N/2

- (ll) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
 Section 19: SW/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
 Section 29: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
 Section 20: N/2

- (oo) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
 Section 35: All
 Section 36: S/2

- (pp) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
 Section 19: SW/4
 Section 29: NW/4
 Section 30: N/2

Docket No. 13-81

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 15, 1981

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

HEYCO

PETROLEUM PRODUCERS



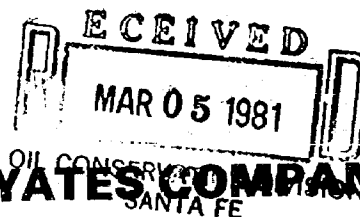
HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201



March 3, 1981

Case 7217

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

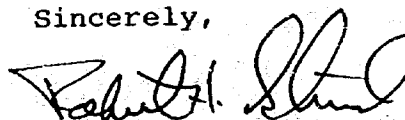
Attention: Mr. Joe Ramey

Re: Application for
Unorthodox Gas Well
Location
Section 13,
T-18S, R-28E
Eddy County, New Mexico

Gentlemen:

Enclosed for filing is an original and two copies of an Application for Unorthodox Gas Well Location. Please set this matter for examiner hearing in April and provide us with a Docket of the same. Thank you.

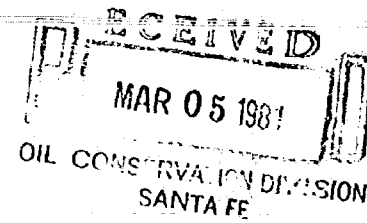
Sincerely,


Robert H. Strand

RHS/lh
A #10

Enclosures

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case No. 7217

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Morrow forma-
tion underlying:

Township 18 South, Range 28 East, N.M.P.M.

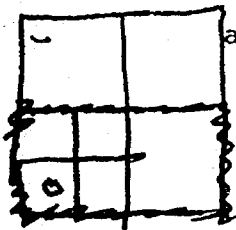
Section 13: S/2

2. Applicant proposes to drill its Travis Ohio State
Com #1 Well at a location 660 feet from the South line and
660 feet from the West line of said Section 13 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the aboved described lands should be dedicated to such well.

5. The approval of this application will afford
applicant the opportunity to produce its just and equitable



share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

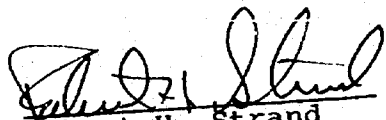
B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 660 feet from the South line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.

C. For such further relief as the Division deems just and proper.

DATED this 3rd day of March, 1981.

HARVEY E. YATES COMPANY

By:



Robert H. Strand

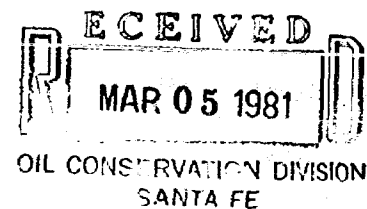
Attorney for Applicant

P. O. Box 1933

Roswell, New Mexico 88201

OCD-1 #20

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, : Case No. 7217
EDDY COUNTY, NEW MEXICO :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Morrow forma-
tion underlying:

Township 18 South, Range 28 East, N.M.P.M.

Section 13: S/2

2. Applicant proposes to drill its Travis Ohio State
Com #1 Well at a location 660 feet from the South line and
660 feet from the West line of said Section 13 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the aboved described lands should be dedicated to such well.

5. The approval of this application will afford
applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 660 feet from the South line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.

C. For such further relief as the Division deems just and proper.

DATED this 3rd day of March, 1981.

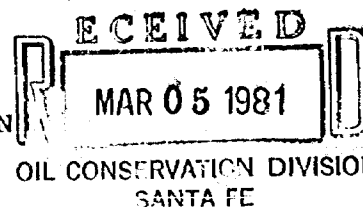
HARVEY E. YATES COMPANY

By:



Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, : Case No. 2212
EDDY COUNTY, NEW MEXICO :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney
and respectfully states:

1. Applicant is the operator of the Morrow forma-
tion underlying:

Township 18 South, Range 28 East, N.M.P.M.

Section 13: S/2

2. Applicant proposes to drill its Travis Ohio State
Com #1 Well at a location 660 feet from the South line and
660 feet from the West line of said Section 13 to a depth
sufficient to adequately test the Morrow formation which is
reasonably expected to be productive of gas.

3. Applicant seeks an exception to the well location
requirements of Rule 104-C.2(a) of the Oil Conservation Divi-
sion to drill said well to the Morrow formation at the above
described unorthodox location.

4. A standard 320 acre gas proration unit comprising
the aboved described lands should be dedicated to such well.

5. The approval of this application will afford
applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

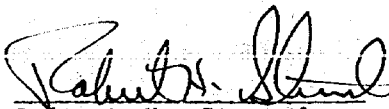
B. That upon hearing, the Division enter its order granting applicant permission to drill said well at a location 660 feet from the South line and 660 feet from the West line of said Section 13 and to dedicate the S/2 of Section 13 to said well.

c. For such further relief as the Division deems just and proper.

DATED this 3rd day of March, 1981.

HARVEY E. YATES COMPANY

By:



Robert H. Strand
Attorney for Applicant
P. O. Box 1933
Roswell, New Mexico 88201

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7217

ORDER NO. R- 6703

APPLICATION OF HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3
May 6, 19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets
NOW, on this day of May, 19 81, 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
for its Travis Ohio State Com Well No. 1 to be drilled
seeks approval of an unorthodox gas well location/ 760
feet from the South line and 660 feet from the
West line of Section 13, Township 18 South
Range 28 East, NMPM, to test the Wolfcamp Horizon Pennsylvanian
formations, Eddy
County, New Mexico.

(3) That the S/2 of said Section 13 is to be
dedicated to the well.

(4) That a well at said unorthodox location ~~will better~~
~~is necessitated to~~
~~enable applicant to produce the gas underlying the proration unit.~~
~~drill at a standard Upper Pennsylvanian oil well location.~~
(5) That no offset operator objected to the proposed unorthodox
location.

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(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Welfcamp and Pennsylvania
the Harvey E. Yates Company Travis Ohio State Com Well No. 1
formations is hereby approved for ~~well~~ to be located at a point 760
feet from the South line and 660 feet from the West
line of Section 13, Township 18 South, Range 28 East
NMPM, Root, Eddy County,
New Mexico.

(2) That the S/2 of said Section 13 shall be dedicated to the above-described well.

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

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