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

# CASE NO.

7217

APPlication,
Transcripts,
Small Exhibits,

ETC.

# BRUCE KING COVERNOR LARRY KEHOE SECRETARY

# STATE OF NEW MEXICO

# ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

June 29, 1981

POST OFFICE 80X 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 1505) 827-2434

Mr. Robert H. Strand, Attorney <sup>Re:</sup> Harvey E. Yates Company P. O. Box 1933	CASE NO. 7217 ORDER NO. R-6703
Roswell, New Mexico 88201	Applicant:
	Harvey E. Yates Company
Dear Sir:	
Enclosed herewith are two copies Division order recently entered i	
Pours very truly,	
JOE D. RAMEY Director	
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700 /64	
JDR/fd	
Copy of order also sent to:	
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# 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

#### 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
- (5) That no offset operator objected to the proposed un-

-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 CIL CONSERVATION DIVISION

JOE D. RAMEY

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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 Company for an unorthodox gas well location, Eddy County, New Mexico.

CASE 7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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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3 MR. STAMETS: And we'll call next Case Number 7217. MR. PADILLA: Application of Harvey E. Yates Company for an unorthodox gas well location Eddy County, New Mexico. 7 MR. STRAND: Mr. Examiner, Robert H. 8 Strand, attorney from Roswell, appearing for the applicant, and I'll have two witnesses who need to be sworn. 10 11 (Witnesses sworn.) 12 13 MR. STRAND: Mr. Examinar, before we 14 proceed, this case was readvertised from a hearing we had 15 several weeks ago, due to the fact it was necessary to move 16 the well location 100 feet north from the location we had 17 previously applied for. 18 I've given you a set of exhibits which 19 will take the place of any exhibits that you have from the 20 prior hearing. You may just wish to dispose of those, the 21 prior exhibits. 22 MR. STAMETS: I hope we can keep those 23 straight. 24

<b>4</b>
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.
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.
n Mr. Yates, is the application for in

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1 Case 7217 limited to an unorthodox Wolfcamp-Pennsylvanian location? 3 Yes, it is, uh-huh. And this --MR. STAMETS: The location is standard 7 for the Travis-Penn? 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 Referring to Exhibit Number One, will you please describe that? 13 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 Mr. Yates, what is the primary objective formation in this well? 24 The primary objective in this well is

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

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

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

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

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

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

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

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

2	The additional costs of drilling and
3	completing the deeper well would be around \$110,000.
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9	The state of the witness.
	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	100 feet further north.
10	MR. STAMETS: Sally, let's go off the
17	record a minute.
18	(There followed a discussion
19	
20	off the record.)
21	MR. STAMETS: Let's go back on the re-
	cord.
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2	RODNEY THOMPSON
3	being called as a witness and being duly sworn upon his oath
4	testified as follows, to-wit:
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6	DIRECT EXAMINATION
7	BY MR. STRAND;
8	Q. State your name and position with the
9	applicant.
0	A. My name is Rodney Thompson. I'm a
1	geologist for Harvey E. Yates Company.
2	Q Mr. Thompson, have you testified before
3	the Division in the past and are your qualifications a matter
4	of record?
5	A. Yes, I have, and they are.
6	MR. STRAND: Mr. Examiner, is Mr.
7	Thompson considered qualified?
8	MR. STAMETS: Yes.
9	Q. Mr. Thompson, this particular case was
0	heard approximately three weeks ago, I believe, for an unor-
1	thodox location 660 feet from the south line and 660 feet
2	from the west line of Section 13, Township 18 South, Range
3	28 East.
4	In your opinion would moving that loca-

tion to the now requested location of 760 feet from the south

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your main prospects are the Upper Pennsylvanian and the Morrow

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

A. That is true. There is -- there is production all through the Permian and several Pennsylvanian horizons in the trend of the area, and we would like permission for that, even though our main objectives are the Pennsylvanian Canyon and the Pennsylvanian Morrow sand.

MR. STAMETS: Are there any other questions of this witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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# CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Souly W. Boyd Cor

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 72/7, heard by me on 673 198/

Examiner Oil Conservation Division

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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 Company for an unorthodox gas well location, Eddy County, New Mexico.

CASE 7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation
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State Land Office Bldg.
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MR. PADILLA: Application of Harvey E.

Yates Company for an unorthodox gas well location Eddy County, New Mexico.

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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2 GEORGE YNTES 3 being called as a witness and being duly sworn upon his oath, testified as follows, to-wit: DIRECT EXAMINATION BY MR. STRAND: State your name and position with the applicant. 10 My name is George Yates. I'm President 11 of Harvey E. Yates Company. 12 Mr. Yates, are you familiar with the 13 application in Case Number 7217? 14 Yes, I am. 15 Will you please state the purpose of the 16 application? 17 The purpose of the application is for 18 approval of an unorthodox well to be drilled 760 feet from 19 the south line, 660 feet from the west line of Section 13, 20 Township 18 South, Range 28 East. 21 The application for unorthodox location 22 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. Mr. Yates, is the application for -- in Q.

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6	MR. STAMETS: The location is standard
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8	A Yes, Travis-Penn. According to Travis-
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2	The additional costs of drilling and
3	completing the deeper well would be around \$110,000.
4	Ω 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
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	23 28 East.
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	25 tion to the now requested 25

2 line and 660 feet from the west line make any difference in your testimony? Mr. Strand, I -- I -- it will not make 5 any difference in the testimony of the previous one for either of our two zones we wish to test in here, the Canyon pay zone, 7 as well as the Lower Morrow Sand. 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? 12 Yes, they are. They just really have 13 the new location on it is all, the new proposed location. 14 And were those exhibits prepared by you? 15 Yea, they were. 16 MR. STRAND: Mr. Examiner, I have no 17 further questions and I would move that Exhibits One through 18 Eight be admitted. 19 MR. STAMETS: These exhibits will be 20 admitted. 21 22 CROSS EXAMINATION 23 BY MR. STAMETS: 24 Mr. Thompson, I presume even though 25

your main prospects are the Upper Pennsylvanian and the Morrow

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# CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

July W. Bayd CSE

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\_\_\_\_

, Examiner Oil Conservation Division

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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. be filed at least 22 days in advance of hearing date.

# EXAMINER HEARING - WEDNESDAY - JUNE 3, 1981 DOCKET:

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:

Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico.

Applicant of Robert N. Enfield for a unit agreement, Chaves County, New Mexico.

Applicant of Robert N. Enfield for a unit agreement, Chaves County, New Mexico.

Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico.

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Application of Robert N. Enfield for a unit agreement of Robert N. Enfield for Robert N. Enfield for Robert N. Enfield for Robert N. Enfi CASE 7261:

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico.

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Application of California for a unit agreement, Lea County, New Mexico.

Application of California for California for a unit agreement, Lea County, New Mexico.

Application of California for California for Ca CASE 7262:

Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. 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 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 an unorthodox Morrow location, to permit the recompletion of its Blevins "IX" Well No. 1 in Unit D of an unorthodox Morrow location, to permit the recompletion of its Blevins "IX" Well No. 1 in Unit D of an unorthodox Morrow location, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations. CASE 7263:

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 goods authority to directionally delile 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 Fact South Salt Lake its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North li and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-and 500 feet from the East line of Section 6 Lote 1 thru 8 to be dedicated to the well. for tow was root, in a northerty direction to bottom it within 130 feet (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.

CASE 7217:

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. 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. (Continued and Readvertised) 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, Application of Sournern union exploration company of lexas for compulsory pooling, Kio Arriba Count.

New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Applicant, in the Applicant in the Appl 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 l the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range l the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range l west, to be dedicated to its Mobil Federal Well No. 1 drilled at a standard location of the to be considered will be the cost of drilling and completing said well and the allocation of application of the cost of drilling and charges for the cost of application of application of the cost thereof as well as actual operating costs and charges for the cost of application of the cost of the cost of drilling and charges for the cost of application of the cost of the cost of drilling and charges for the cost of the cost of drilling and charges for the cost of drilling and complete and the cost of drilling and constant and the cost of drilling and complete and the cost of drilling and constant and drilling and constant and drilling and constant and drilling and 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.

Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico.

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Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico.

Application of Cities Service Company for a sa CASE 7264:

Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

Application of Tenneco Oil Company for an unorthodox gas well location of a well to be deplicated to seeks approval for the unorthodox location of a well to be deplicated. In the above-styled cause, seeks approval for the unorthodox location of a well to be deplicated to deplicate from the Boyle from the North line and 990 feet from the West line of Section 13 to be dedicated to South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well. CASE 7265:

Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

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Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. CASE 7266: 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-Blinebry 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, NN/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 NN/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 610 feet from the South line and 1880 feet from the East line of said Section 21.
- CASE 7270: Application of Southland Royally 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 NV/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.

MEXICO

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:

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

SASE 7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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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3 2 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. 10 11 GEORGE YATES 12 being called as a witness and being previously sworn upon his 13 oath, testified as follows, to-wit: DIRECT EXAMINATION BY MR. STRAND; State your full name and your position and duties with the applicant. My name is George Yates. I'm Vice-President of Harvey E. Yates Company. My responsibilities supervision of all land and exploration operations. Are you familiar with the application

Yes, I am.

Number 7217?

Would you please state the purpose of

the application? 4 A. 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 Mexicc. I refer you to Exhibit Number One, You please describe that exhibit? 10 Exhibit Number One is a land map which shows the location of the Travis Ohio State Com. It also 11 12 shows the 320-acre proration unit dedicated to that well, a Morrow proration unit. It in addition shows the 80-acre 13 14 proration unit dedicated to a Canyon well on the special 15 field rules of the Travis Penn Unit. 16 Mr. Yates, would you describe the ob-17 jective formations? 18 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 Cowtown Unit. ŽŽ The deeper objective, the Morrow, is a 23 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.

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

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

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

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?

5 Yes, they were. MR. STRAND: I have no further questions of Mr. Yates. CROSS EXAMINATION 7 BY MR. STAMETS: Q. Mr. Yates, do you consider the Morrow is the only gas prospect at this location? 10 No, Mr. Examiner, I don't. There would 11 be a possibility of Atoka. Other than that --12 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 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 If we're readvertising we ought to 23 cover the whole Penn interval. 24 MR. STRAND: Why don't we designate it as Pennsylvanian?

He may be excused.

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

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

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

A. Wolfcamp through the Pennsylvanian.

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

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

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

Any other questions of this witness?

### RODNEY THOMPSON

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

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2 DIRECT EXAMINATION 3 BY MR. STRAND: State your full name and your position with the applicant. My name is Rodney Thompson. I'm a geol-7 ogist for -- working for Harvey E. Yates Company in Midland, Texas. 9 Mr. Thompson, are you familiar with the 10 application in Case Number 7217? 11 A. Yes. 12 Have you prepared certain exhibits re-13 lating to this application? 14 Yes. 15 Would you briefly describe each of 16 these exhibits in sequence and their relevance to the appli-17 cation? 18 Yes. I'd like to start off by saying 19 the Travis Deep Field is located in the northern part --20 section of the shelf in Eddy County, New Mexico, and although 21 multi-pay horizons are potential in the area, through the 22 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 Penn-

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sylvanian.

14.

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

clean lime interval in the Canyon pay zone, the same one we're 1 concerned with in the first two exhibits. And it indicates 2 that at our proposed location we're expecting to encounter 3 between 100 and 110 feet of clean limestone in the Canyon pay 4 5 Exhibit Number Seven, to go along with interval. So. 6 this, is a stratigraphic cross section hung at the base of 7 the Canyon pay interval and running from the southwest part 8 of the Travis Deep Field on up through the northeast part, 9 showing the stratigraphy of the Canyon limestone through the 10 11 Our location would be occurring between Travis Deep Field. 12 the Holly Energy Well at the -- at point A of the cross 13 section, and between the Harvey E. Yates Travis State No. 1 14 Well, second from the left on the cross section. 15 So summing this all up, then, in the 16 Canyon we would expect to encounter under our proposed loca-17 tion a thick, clean, as well as porous, limestone unit in the 18 19 Now in addition to the Pennsylvanian Canyon pay interval. 20 Canyon, we also propose to go through the Pennsylvanian and 21 22 Exhibit Number Eight is a stratigraphic test the Lower Morrow sands. 23 cross section that runs from the Holly Energy well just off-24

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

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

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

And this Lower Morrow Sand is a -- has been -- as we consider to be a fluvial deltaic sand in origin, which extends all the way from -- we've mapped it from the Logan Draw area up in 17 South, 27 East, all the way through the Empire South Field, which is just north of this prospect, 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, the potential of producing up to 20 billion cubic feet of gas.

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

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

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

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

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

2 par on its capabilities, but I believe that it -- it also is productive in the trend that we're looking at. Mr. Thompson, in your opinion would 5 approval of this application promote conservation, prevent 6 waste, and protect correlative rights? Yes. Were Exhibits Four through Eight prepared by you or under your supervision? 10 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.)

# CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby centry that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 72/7. lamit 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

6 IN THE MATTER OF:

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Application of Harvey R. Yates Company for an unorthodox gas well loca- ) tion, Eddy County, New Mexico.

**5215** 

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

# APPEARANCES

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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2		MR. STAMETS: We'll call next Case 7217.
3		MR. PADILLA: Application of Harvey E.
4	Yates Company for	an unorthodox gas well location, Eddy County,
5	New Mexico.	naminar same appear
6		MR. STRAND: Mr. Examiner, same appear-
7	ances and witnesse	es in this case, also.
8		MR. STAMETS: The record will show that
9	the witnesses have	e been sworn and qualified.
10		
11		GEORGE YATES
12	being called as a	witness and being previously sworn upon his
13		s follows, to-wit:
15	oath, testilled	
14		
15		DIRECT EXAMINATION
16	BY MR. STRAND:	
17		State your full name and your position
1.		
18	8 and duties with	the applicant.
	9 h.	My name is George Yates. I'm Vice-
		vey E. Yates Company. My responsibilities
t, s	20 President of Har	sion of all land and exploration operations.
2	21 involve supervis	Are you familiar with the application
2	<b>22</b>	Are you tamillar with and
	23 in Case Number	7217?
	24 A.	Yes, I am.
	<b>25</b>	Would you please state the purpose of

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the application?

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.

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

A. 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 Cowtown 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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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	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	5
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	Ω 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 Mcrrow
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	Nell, 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	
24	cover the whole Penn interval.
38.	MR. STRAND: Why don't we designate it
25	as Pennsylvanian?

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He may be excused.

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

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

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

Wolfcamp through the Pennsylvanian.

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

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

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

Any other questions of this witness?

RODNEY THOMPSON

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

7 2 DIRECT EXAMINATION 3 BY MR. STRAND: State your full name and your position 5 with the applicant. 6 My name is Rodney Thompson. I'm a geol-7 ogist for -- working for Harvey E. Yates Company in Midland, 8 Texas. Mr. Thompson, are you familiar with the 10 application in Case Number 7217? 11 Yes. 12 Have you prepared certain exhibits relating to this application? 14 Yes. 15 Would you briefly describe each of 16 these exhibits in sequence and their relevance to the appli-17 cation? 18 Yes. I'd like to start off by saying 19 the Travis Deep Field is located in the northern part --20 section of the shelf in Eddy County, New Mexico, and although 21 multi-pay horizons are potential in the area, through the 22 Permian as well as the Pennsylvanian, our primary concern, 23 or primary objectives are the Pennsylvanian Canyon pay incer-24 val, 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

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

Travis Deep Field.

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

Our location would be occurring between the Holly Energy Well at the -- at point A of the cross section, and between the Harvey E. Yates Travis State No. 1

So summing this all up, then, in the Canyon we would expect to encounter under our proposed location a thick, clean, as well as porous, limestone unit in the Canyon pay interval.

Well, second from the left on the cross section.

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

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

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

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

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

And this Lower Morrow Sand is a -- has been -- as we consider to be a fluvial deltaic sand in origin, which extends all the way from -- we've mapped it from the Logan Draw area up in 17 South, 27 East, all the way through the Empire South Field, which is just north of this prospect, 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, the potential of producing up to 20 billion cubic feet of gas.

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

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

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

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

Atoka of getting Atoka production under the prospect.

The Strawn, and I must control that the strawn is the strawn in the strawn in the strawn is the strawn in the strawn is the strawn in the strawn in the strawn in the strawn is the strawn in the strawn i

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12 2 par on its capabilities, but I believe that it -- it also is productive in the trend that we're looking at. Mr. Thompson, in your opinion would approval of this application promote conservation, prevent waste, and protect correlative rights? Yes. Were Exhibits Four through Eight prepared by you or under your supervision? 10 Under my supervision, they were, they ĺĺ were designed. 12 MR. STRAND: Mr. Examiner, I move admission 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

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Page 13

## CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Sunta Fe, New Mexico 87501
Phone: (303) 453-7409

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 Narvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Norrow location of its Travis Ohio State Com Mell No. 1 to be drilled 640 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 proration 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 prolling, Lea County, New Menter.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Norrow 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 Cetty Oil Company for a dual completion, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the dual completion of its Cetty 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-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 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.

PETROLEUM PRODUCERS

SECURITY NOTIONAL BANK BUILDING BOENEYL P.O. BOX 1933

May 15, 1981

SANTA FE

New Mexico OII 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,

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 formation 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 Applicant the opportunity to produce its just and equitable

share of gas, will prevent economic loss caused by driving 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.

A. That this application be set for hearing before WHEREFORE, applicant prays: an examiner and that notice of said hearing be given as required

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 by Taw. aid Section 13 and to dedicate the \$/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.

HYBABA E' AYAES COMBUNA

for Applicant New Mexico 88201 Attorney P.O. BOX HORWETTI

BEFORE THE OIL DONSERVATION DIVISION

ENERGY AND MINERALS DEPARTMENT

OF THE STATE OF NEW MEXICO

OIL CONSERVATION DIVISION SANTA FE

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

Case No. 72/7

### APPLICATION

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

Applicant is the operator of the Morrow formation 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
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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

Robert H. Strand

Attorney for Applicant

P.O. Box 1933

Roswell, New Mexico 88201

BEFORE THE OIL DONSERVATION DIVISION SERVER ENERGY AND MINERALS DEPARTMENT

OF THE STATE OF NEW MEXICO

OIL CUNDENVATION DIVISION SANTA FE

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 formation underlying:

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

Section 13: 5/2

- 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 Applicant the opportunity to produce its just and equitable

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WHEREFORE, applicant prays:

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

Robert H. Strand

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

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	4 647	Menegon   1- Jase   Orto	OZAL STATE CERCOPAL TE	Accepted A	÷ §	200.1300.98	Applicant	
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Depco etal	Collier Corr. 100	[665]	Miller HBP 0 E Smith 1:335 1	DA 8 6 51 70 H390	<b>8</b>	readistriate.	6/2/61	
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Book State	Towns Alsente Control	State	THE STORE STORES PROPERTY	124   VACA 1 VASA 2 VALA 1	gr:			1

I	EASE Travis Deep Onto Com	WELL NUMBER	1
. 1.	OCATION Section 13, T-18S, R-28E,	760 FSL & 660' FWL	
C	COUNTY Eddy DEPTH	0.000' PROBLEM TOKEN	
$\frac{1}{2} \left( \frac{1}{2} \right) \right) \right) \right) \right)}{1} \right) \right) \right)} \right) \right)} \right)} \right) \right)} \right)} \right)} \right)$		O TORPIA	LION Canyon
		Producing Well Cost	Ory Hole Cost
; D	rilling and completion costs  Intangible drilling costs		
	Location -	§ 12,000	4 10 000
!	Footage 10,000 6 \$27.50 Paywork 6 0 \$6900/	/ft 275,000	\$ 12,000 275,000
	Surface casing service		41,400
	intermediate casing service	3,800 12,000	3,800
	Mud, water	20 000	12,000 20,000
	Company supervisor, engineed Rentals, coring service	6,000	6,000
	Miscellaneous	20,000	20,000
: 4	Total intangible drill	ng costs: 10,000 400,200	10,000
	Intangible formation evaluation e	· · · · · · · · · · · · · · · · · · ·	400,200
	Logs, CNL-D , DLL-Rxo,	23,000	22.000
- <del>-</del>	DST 4 @ \$3200/cach	**************************************	23,000
And the agreement of the control of	Geological mud logging servi	12,800	12,800
· ·	Miscellaneous	2,200	5,300
	Total intangible format	fon evaluation 45,100	4,000
A CALLAN	Intangible completion costs Unit cost 20 days # \$11	0011	45,100
a Kanaka	Production casing service	52,000	
PAA Padese	Completion Fluid	20,000 2,000	The second second second second second second second
	Perforating/production logging Treating	ig 12,500	And desired the second of the second of the second of
. Mark	Company supervision	10,000	white the same and the same as the same as the same
e Argon	Plugging expense	5,000	
	Miscel Laneous	10,000	12,000
	Total intangible complet	100 00010	$\frac{10,000}{22,000}$
A VIEWS	Tangible drilling costs and comple Surface casing	tion couts	
で 機 (本) (で)	350° of 13 3/8 Intermediate easing	7,750	7,750
A 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	2900° of 8.578		
Objection of the Control of the Cont	Production casing 10000' of 5 1/2		33,900
	Production tubing	100,700	Print the real divines because And I at
	10000' of 2 3/8		
Supplied to the supplied to th	Clising head Tubing head & casing spool	1,860	We will be about the way of the
Side Salar	Christmas tree	13,100	
	Subsurface equipment	6,950 4,000	Andrew woman for the second se
	Total tangible drilling o	costs and	The state of the s
N. S.	completion costs	211,560	41,650
The Property of the Control of the C	Lease equipment		
AND THE CONTROL OF TH	Tanks 2 300	6,600	
		8,000	
19 <u>m. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.</u>	Noter runs	3,000	A CONTRACTOR OF THE PARTY OF TH
	Pumping unit	-1,860 31VC	Dation 100
JIER-	MEIONI Ton dosts	3,500 180	HILWEIT
CXAMIN	NOW cotal case equipment	22,900	CASS
CTOREL CRYATIO	Pumping unit Pumping unit Pumping unit Itarion dosts Total lease equipment Total might costs Total might costs	Fac again	A Company of the Comp
BE CONST. E	Tare Tare		467,300
OIL	Mini Va B	NOISBUCHOTTAVA	35NO0 10-41,650
IN MICHE	atistic 6 di	6,000	X3 380338 1 4,500
CASE PART	Total in the provident of this extend to the actual parts in the a	3/4/81	\$ 513,450
1 GUP",(		APPROVED	BY:
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· · · · · ·	peractions specified, whether more or	Tess than	· · · · · · · · · · · · · · · · · · ·
nerei.	n set out."	Company	The first term of the term of
		Date	and the second of the second o

LEASE Travis De Ohio Com LOCATION Section 13, T-18S, R-28E, 660 FSL & 660 FWL, Eddy County, N.M. MELL NUMBER COUNTY\_Eddy DEPTH 11,200' DECEME FORMATION Morrow Producing Drilling and completion costs Well Cost Dry Hole Intangible drilling costs Cost Location Footage Footage 11,200' # \$29.50/ft.

Daywork 6/2 days # \$6900/\$7110/day
for casing service \$ 12,000 \$ 12,000 330,400 Intermediate casing service 330,400 55,620 55,620 Mud, water 3,800 3,800 12,000 25,000 Company supervisor, engineer 12,000 Rentals, coring service 25,000 Miscellaneous 7,400 7,400 Total intangible drilling costs 28,000 28,000 13,500 Intangible formation evaluation cost 13,500 487,720 487,720 Logs, CNL-D , DLL-Rxo , 25,500 6 0 \$3400/each Geological mud logging service 25,500 Miscellaneous 20,400 20,400 7,500 Total intangible formation evaluation Intangible completion costs 7,500 6,000 6,000 Unit cost 20 days @ \$1100/day 59,400 Production casing service 59,400 Completion fluid 22,000 Perforating/production logging 20,000 2,000 Company supervision -12,500PTugging expense 10,000 Miscellaneous 5,000 Total intangible completion costs Tangible drilling costs and completion costs 15,000 10,000 12,000 .....81,500 Intermediate casing 27,000 ...13.3/8" <u>.....7,750</u> 2900! or Production casing 7,750 33,900 .11200! or Production tubing 33,900 5. 1/2" 113,500 ....11200! of Casing head 2. 3/8!! Tubing head 48,150 Christmas tree -1,860Subsurface equipment 13,100 Total tong The drilling costs and 6,950 completion costs 4,000 Lease configurant 229,210 FOR EXAMINATION OF STACK PACK 41,650 3,300 10,000 3,000 1,800 Total This angelite costs
Total Tagodhic costs
Total This o equipment 3,500 21,600 628,620 574,120 Adhinistrative 229,210 41,650 21,600 TOTAL COSTS. Prepared by: P 6,000 Peck Hardee 4,500 3/4/81 Date: \$ 885,430 "It is recognized that the amounts provided for herein \$ 620,270 are estimated only, and approval of this authorization APPROVED BY: shall extend to the actual costs incurred in conducting the operations specified, whether more or less than Company Date

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LEASE Travis Deep ONTO Com	St. I.I. NUMBER	<b>1</b>
LOCATION Section 13, T-185, R-28E, 660' FSL &	660' FWI.	Other a basing an inter-
COUNTY Eddy DEPTH 10,000'	PRODUCING FORMATION	Canyon
	Producing	Ory Hole
and a second control of the control		Const.
Drilling and completion costs		
Intangible drilling costs  Location	12,000	<u>\$_12,000</u>
footage 10,000' 0 \$27.50/ft.	275,000	275,000
Daywork 6 4 \$6900/day	41,400	41,400
Surface casing service	3,800	3,800
Intermediate easing service	12,000	12,000
Mud, water	20,000	20,000
Company supervisor, engineer	6,000	6,000 20,000
Rentals, coring service	20,000	10,000
Miscellaneous Total intangible drilling costs	10,000 .400,200	400,200
Intangible formation evaluation cost	•	
Logs, CNL-D, DLL-Rxo,	23,000	23,000
psr 4 (4 \$3200/each	12,800	12,800
Geological mud logging service	5,300	5,300
Miscel Emeous	4,000	4,000
Total intangible formation evaluation evaluation costs	unt fon 45,100	45,100
Unit cost 20 days 8 \$1100/day	22,000	
Production easing service	20,000	
Completion fluid	2,000	
Perforating/production logging	12,500 10,000	
Treating Company supervision	5,000	
Plugging expense	2,000	12,000
Miscellaneous	10,000	10,000
Total intangible completion cos	81,500	22,000
Tangible drilling costs and completion co	F1\$ 1 14	
Surface casing 350' of 13 3/8"	7,750	7,750
350' of 13.3/8" Intermediate casing		
2900' of 8 5/8"	33,900	33,900
Profluction casing 10000° of 5 1/2"	100,700	
Production tubing		
10000' of 2 3/8"	43,300	
Caning hend	1,860	
Tubing head & easing spool Christmas tree	13,100	
Subsurface equipment	6,950 4,000	
Total tangible drilling costs		
completion costs	211,560	41,650
Lease equipment 300	6,600	
HP Separator	8,000	
Plow Lines	3,000	
WER MONEYOUNG	1,800	
Charling ing whit	3,500	
SERVALLE MOUNT SOM Equipment	22,900	
Tanks: 300  HP Sparator Elow Lines  Mengy Proposition costs:  CONSERVATION Total Interpretation costs:  Total Interpretation costs:  Conservation for the costs:  Total Interpretation costs:  Total Interpretation costs:		·
Total Int Applies Collins	.526,800	467,300
docal captible design	211,560	41,650
Total tandible designation of the control of the co	22,900	1. 500
en Whin it en ve	6,000	4,500
TOTAL CHECK	\$ 767,260	\$ 513,450
Total Green by:Peck_Hardee Date:3/4/8	WILKONIN DI:	
Truis recognized that the amounts provided to	or herein	
are estimated only, and approval of this authorized	OFFICE CONTROL OF THE PARTY OF	er e
shall extend to the actual costs incurred in	conducting set ban	
the operations specified, whether more or les herein set out."	Company	
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"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

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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."

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LEASE Travis De Ohio Com	HELA MANER	
LOCATION Section 13, T-188, R-28E, 660 FSL 8 66	D. Dan	1
COUNTY Eddy DEPTH 11,200'		
11,200	PRODUCING FORMATION	Morrow
	Producing	Ory Hole
Drilling and completion costs	Well Cost	Cost
intangible drilling costs		
Location Footage 11 and 4	\$ 12,000	
Footage 11,200† (4 \$29,50/ft.  Daywork 6/2 days (4 \$6900/\$7110/day  Surface casing service	330,400	\$ 12,000
	55,620	330,400 55,620
Intermediate casing service	3,800 12,000	3,800
Company supervisor, engineer	25,000	$\frac{12,000}{35,000}$
Rentals, coring service	7,400	25,000 7,400
2018ce Haneous	28,000	28,000
Total intangible drilling costs	13,500 487,720	13,500 487,720
Intangible formation evaluation cost	2	407,720
Logs, CNL-D , DLL-REO ,	25,500	25 500
nst 6 (1 \$3400/each	***********	25,500
deorogical mud logging service	20,400 7,500	20,400
#1Scellaneous	The same of the sa	7,500
Total intangible formation evaluation costs	59,400	6,000
unit cost 20 days (f. clicot)		59,400
Production casing service Completion fluid	_22,000 _20,000	
Perforating/production logging	2,000	-
rearing	12,500	
Company supervision PTugging expense	$\frac{10,000}{5,000}$	
Miscellaneous		15,000
Total intangible completion costs:	10,000	12,000
Tangible drilling costs and completion costs Surface easing	81,500	27,000
Intermediate casing	7,750	
29001 01 9 5 7011		7,750
Substitute of the substitute o	33,900	33,900
Production tubing 5. 1/2"	113,500	
112001 01 2.3/8"	48,150	
Tubing head	1,860	
Christmas tree	13,100	
Subsurface equipment	6,950 4,000	
Total tangible drilling costs and completion costs	5:	-
Lease equipment 300  REEXAMINES CONSUMINATION TO THE CONSUMINATION OF THE PROPERTY OF THE PROP	229,210	41,650
Tinks equipment		
MINES Par Weil Stack Back	3,300	
TE BY AND TIMES	10,000	
PHONOR PHONOR PROPERTY OF THE	3,000 1,800	
COMPANIONICATION		-
To the Branch	3,500 21,600	
Total principle costs Total principle costs Total principle coupment	21,000	
Togat tangento costs	628,620	574,120
Total spinere equipment	229,210 21,600	41,650
district 100 1vg	6,000	4,500
cpared by: Peck Hardee Date: 3/4/81	\$ 885,430	
mite:		\$ 620,270 
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tend to the actual contact.		
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3/4/81

Total tangible costs Total lease equipment

Peck Hardee

**Administrative** 

APPROVED BY:

229,210

\$ 885,430

Date

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Company

Date

Producting   Depth	COUNTY Eddy DEPTH 11,200' PRO	DOUGING FORMATION 1	dorrow
Drilling and completion costs   Intemptible drilling costs   Location   \$12,000   \$12,000   \$30,400   \$31,600   \$12,000   \$12,000   \$12,000   \$25,000   \$2		Productne	Name II
Intangible drilling costs   12,000   \$12,000   Evertage   11,200   \$39,50/ft   310,400   310,4		Well Cost	Cost
Lacation   \$12,000   \$12,000   \$12,000   \$12,000   \$12,000   \$13,0400   \$130,450   \$15	Drilling and completion costs		•
Footage   11,200   # \$29.50/ft   330,400   350,450   3	Intangible drilling costs		
Baywork			\$ 12,00
Surface casting service   3,800   12,000   13,500   13,	Fint age 11,200' ( \$29,50/ft.		330,40
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DST   6   @ \$3400/cach   20,400   20,4	Intangible formation evaluation cost		
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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:

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

CASE 7217

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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:

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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.) 

Page \_\_\_\_\_\_3

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Soely W. Boyd C.S.F.

SALLY W. BOYD,
Rt. 1 Box 193-18
Santa Fe, New Mexico Phone (503) 455-746

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Richard L. Humer

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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-CASE pany for an unorthodox gas well 7217 location, Eddy County, New Mexico. 10 BEFORE: Richard L. Stamets TRANSCRIPT OF HEARING APPEARANCES Ernest L. Padilla, Esq. For the Oil Conservation 17 Legal Counsel to the Division Division: State Land Office Bldg. Santa Fe, New Mexico 87501 18 20 For the Applicant: 21 22

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                            MR. STAMETS: Call next Case 7217.
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                            MR. PADILLA: Application of Harvey E.
     Yates Company for an unorthodox gas well location, Eddy County
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     Hearing.
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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (203) 455-7409 

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# CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Swy W. Bagd C.S.R.

do hereby comforthat the foregoing is Oil Convergation Division

Docket No. 12-81

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: App! Cation 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 Bluitt-San Andres Cas 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, NNPM. Said pool would comprise:

## TOWNSHIP 7 SOUTH, RANGE 37 EAST, NNPM 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 16, 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 peol for Morrow production and designated as the Bunting Ranch-Morrow Gas Pool. The discovery well is Nitchell 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, NNPM Section 36: N/2

(d) CPEATE 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 G 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 neel in Chaves County, New Nexico, 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

Page 3 Examiner Hearing - Wednesday - April 8, 1981

Docket No. 12-81

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPN 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, NNPM 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, NMPM Section 9: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM 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, NMPM 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, NMPM 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, NMPM 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, NMPM 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, NMPM 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, NMPM Section 17: N/2

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM 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, NNPM 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, NMPM Section 13: S/2
Section 24: E/2

TEL FILLEN The First to the Aiden Musice Gis that in Lon County, New Mexico, to Include therein;

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Page 5 Examiner Hearing - Wednesday - April 8, 1981

Docket No. 12-81

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NNPM Section 21: S/2

Section 21: S/2 Section 28: N/2

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

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

(11) 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 Aidres 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 Cas Pool in Lea County, New Mexico, to include therein:

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

(00) 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

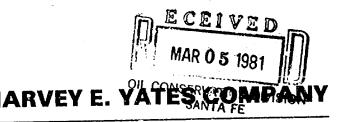
The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- 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





P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

March 3, 1981

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

Attention: Mr. Joe Ramey

Case 7217

Re: Application for Unorthodox Gas Well Location Section 13, T-185, 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/1h A #10

Enclosures

## BEFORE THE OIL CONSERVATION DIVISION



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. 22/7

#### APPLICATION

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

1. Applicant is the operator of the Morrow formaation 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 Division 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 31 day of March, 1981.

HARVEY E. YATES COMPANY

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, 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 formaation 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.
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- 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, 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 formaation underlying:

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

Section 13: S/2

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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 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

Bv:

Robert H. Strand Attorney for Applicant

P. O. Box 1933

Roswell, New Mexico 88201

OCD-1 #20

# 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:

IVISION FOR THE 1911
ONSIDERING: 7217 CASE NO.
ORDER NO. R- 6703
APPLICATION OF HARVEY E. YATES COMPANY
APPLICATION OF HARVET LOCATION.
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 Alay 6.  This cause came on for hearing at 9 a.m. on Richard L. Stamets
This cause came on for hearing at 9 a.m. on  This cause came on for hearing at 9 a.m. on  Richard L. Stamets  19 81; at Santa Fe, New Mexico, before Examiner Richard L. Stamets  NOW, on this day of May 19 81, the Division  NOW, on this day of May testimony, the record, and the
NOW, on thisday or the record, and the
Director, having considered the tobal parties of the Examiner, and being fully advised in the recommendations of the Examiner, and being fully advised in the
premises,
FINDS:
FINDS:  (1) That due public notice having been given as required by
(1) That due public notice have and the subject law, the Division has jurisdiction of this cause and the subject
matter thereof.
andicant. Halve, to be drilled
seeks approval of the line and 660 feet from the
West line of Section 13 Township 18 South
West line of Section 19 West the West the
Township 18 South   West line of Section 13   Township 18 South   West line of Section 13   West line of Section 14   West line of Section 15   We
formations
County, New Mexico. is to be
(3) That the S/2 of said Section
dedicated to the well.  (4) That a well at said unorthodox location will better  (4) That a well at said unorthodox location unit.
(4) That a well at said unorthodox  /s //ecess/vived to produce the gas underlying the proration unit.  menable applicant to produce the gas underlying the proration unit.  menable applicant to produce the gas underlying the proration unit.  menable applicant to produce the gas underlying the proration unit.
is liecess, rested to produce the gas underlying the proration units menable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the proration units lenable applicant to produce the gas underlying the provided like the lenable applicant to produce the gas underlying the provided like the gas underlying the provided like the gas underlying the provided like the gas underlying the proposed unorthodox drill a standard upper Runsylvanian oil well local vibration of the gas underlying the
nenable applicant to produce the gas that of well local unorthodox drill at a standard upper Runsylvanian of well local unorthodox (5) That no offset operator objected to the proposed unorthodox (5)
location.

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Case No. R-
order No. K-
(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
the Harvey E. Yates Company Travis Ohio State Com Well No. 1 formations is hereby approved for xxxxxx to be located at a point
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 <u>S/2</u> of said Section <u>13</u> shall be dedicated to
the above-described well.
(3) That jurisdiction of this cause is retained for the entry of such
urther orders as the Division may deem necessary.
DONE at Santa Fe, New Mexico, on the day and year hereinahove designated

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