

CASE 7229: YATES PETROLEUM CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

CASE NO.

7229

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

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

CASE  
7229

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For the Applicant:

Chad Dickerson, Esq.  
LOSEE, CARSON, & DICKERSON  
Artesia, New Mexico

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I N D E X

DON C. MOZYNSKI

Direct Examination by Mr. Dickerson  
Cross Examination by Mr. Nutter

E X H I B I T S

Applicant Exhibit One, Plat  
Applicant Exhibit Two, Isopach  
Applicant Exhibit Three, Cross Section

MR. NUTTER: Call Case Number 7229.

MR. PADILLA: Application of Yates  
Petroleum Corporation for an unorthodox gas well location,  
Eddy County, New Mexico.

MR. DICKERSON: I am Chad Dickerson of  
Artesia, New Mexico, on behalf of the applicant, and we have  
one witness.

(Witness sworn.)

DON C. MOZYNSKI

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Will you state your name, your occupation,  
and where you reside?

A Okay. My name is Don C. Mozynski. I  
work for Holly Energy in Dallas. I live in Dallas.

Q And what Holly's connection with this  
case, Mr. Mozynski?

A Okay. Holly Energy and Yates Petroleum  
are joint interest owners in a lease on which the proposed

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2 well is to be drilled.

3

4 Q So you're appearing on behalf of Yates  
5 Pet, the operator?

6

7 A Yes, sir.

8

9 Q And what is your occupation?

10

11 A Okay. I'm a petroleum geologist in  
12 New Mexico.

13

14 Q Have you testified before this Commission  
15 previously?

16

17 A No, sir.

18

19 Q Would you briefly recount your educational  
20 background for the Examiner, please?

21

22 A Okay. I received a Bachelor's degree in  
23 earth science from Case Western Reserve University in Cleveland  
24 in 1975. I have worked for two and a half years for Texaco,  
25 Incorporated's New Mexico District, and three and a half years  
for Holly Energy's New Mexico District.

1

2 Q And as part of your responsibilities for  
3 Holly are you charged with overseeing its interest in the area  
4 of this application?

5

6 A Yes, sir.

7

8 Tender Mr. Mozynski as an expert geologist,  
9 Mr. Examiner.

10

11 MR. NUTTER: Mr. Mozynski is qualified.

1  
2 How do you spell your last name, please?

3 A. M-O-Z-Y-N-S-K-I.

4 MR. NUTTER: Thank you.

5 Q Mr. Mozynski, would you briefly describe  
6 the purpose of this application?

7 A. Yes, sir, the purpose of this application  
8 is to seek approval of an unorthodox gas well location covering  
9 the formations Wolfcamp through Pennsylvanian in this area.

10 Q And in connection with this application  
11 have you prepared the exhibits on which you intend to rely?

12 A. Yes, sir.

13 Q Would you refer to Exhibit Number One,  
14 please, and describe what it shows?

15 A. Okay. Exhibit Number One is a land plat  
16 showing the acreage which is either owned by Yates Petroleum  
17 and/or Holly Energy, and the proposed location 660 from the  
18 south and east lines of Section 4, Township 17 South, Range  
19 26 East.

20 Q Would you turn to Exhibit Number Two  
21 and describe what it reflects?

22 A. Okay. Exhibit Number Two is an Isopach  
23 of the total Morrow Clastics section. This exhibit illustrates  
24 an alluvial valley trending northwest/southeast, and the pro-  
25 posed location is shown to be in the thickest part of the

1  
2 valley, where we would hope to encounter the maximum amount  
3 of channel sandstones.

4 Q Would you refer to Exhibit Number Three  
5 and describe what it shows?

6 A Okay. Exhibit Number Three is a strati-  
7 graphic cross section A-A', as indicated on Exhibit Number Two.  
8 This cross section illustrates a channel sandstone present in  
9 the Yates Petroleum State "CK" No. 1, which is located to the  
10 northwest of the proposed location.

11 As you can see, the channel alluvial  
12 valley has eroded into the underlying Chester siltstone  
13 sequence and by mapping this thickness, as on the Isopach map,  
14 we've arrived at a trend and hope we can pick up a similar  
15 channel sandstone at our proposed location.

16 Q In your opinion, Mr. Mozynski, would  
17 the approval of this application be in the interest of conser-  
18 vation, the prevention of waste, and the protection of corre-  
19 lative rights?

20 A Yes, sir.

21 MR. DICKERSON: Mr. Examiner, we move  
22 admission of Exhibits One, Two, and Three.

23 MR. NUTTER: Exhibits One, Two, and  
24 Three will be admitted in evidence.

25 MR. DICKERSON: Unless the Examiner has



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questions, that concludes our case.

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CROSS EXAMINATION

5

BY MR. NUTTER:

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Q

Would you explain your color codes on

7

Exhibit Three, Mr. Mozynski?

8

A.

Okay. Color codes on Exhibit Three.

9

Basically, sir, these color codes are to indicate - okay,

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let's start at the top. The Green shale marker, okay, that is

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a shale marker which I've been able to correlate in PLW

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Morrow Field as a good stratigraphic marker.

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The next blue below that is the Morrow

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limestone which lies immediately above the Morrow Clastic

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section. Now it is a bit variable but the underlying shale

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is very correlative.

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The brown indicates the Chester silt-

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stone, limey siltstone sequence.

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And the other line in blue indicates

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the top of the Mississippian limestone where it has been

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penetrated.

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Q

Okay. Thank you.

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MR. NUTTER: Are there any other ques-

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tions of the witness?

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MR. DICKERSON: None.

1  
2 MR. NUTTER: He may be excused.

3 Do you have anything further in this  
4 case, Mr. Dickerson?

5 MR. DICKERSON: No, sir.

6 MR. NUTTER: Does anyone have anything  
7 they wish to offer in Case 7229?

8 We'll take the case under advisement.

9  
10 (Hearing concluded.)  
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C E R T I F I C A T E

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

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7229  
heard by me on 4/22 1981.

[Signature], Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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

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

22 April 1981

EXAMINER HEARING

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Application of Yates Petroleum Cor-  
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# INDEX

DON C. MOZYNSKI

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# EXHIBITS

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Applicant Exhibit Three, Cross Section

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2 questions, that concludes our case.

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4 CROSS EXAMINATION

5 BY MR. NUTTER:

6 Q Would you explain your color codes on  
7 Exhibit Three, Mr. Mozynski?

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9 Basically, sir, these color codes are to indicate - okay,  
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13 The next blue below that is the Morrow  
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21 penetrated.

22 Q Okay. Thank you.

23 MR. NUTTER: Are there any other ques-  
24 tions of the witness?

25 MR. DICKERSON: None.

MR. NUTTER: He may be excused.

Do you have anything further in this  
case, Mr. Dickerson?

MR. DICKERSON: No, sir.

MR. NUTTER: Does anyone have anything  
they wish to offer in Case 7229?

We'll take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

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

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7229  
heard by me on 4/22 1987.

[Signature], Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

May 1, 1981

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

Mr. Chad Dickerson  
Losee, Carson & Dickerson  
Attorneys at Law  
Post Office Drawer 239  
Artesia, New Mexico 88210

Re: CASE NO. 7229  
ORDER NO. R-6671

Applicant:

~~Yates Petroleum Corporation~~

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	
Artesia OCD	X
Aztec OCD	X

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7229  
Order No. R-6671

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 22, 1981,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of April, 1981, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks  
approval of an unorthodox gas well location for its Sharp "QS"  
Com. Well No. 1 to be drilled 660 feet from the South line and 660  
feet from the East line of Section 4, Township 17 South, Range  
26 East, NMPM, to test the Pennsylvanian formation, POW Field,  
Eddy County, New Mexico.

(3) That the S/2 of said Section 4 is to be dedicated to  
the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration  
unit.

(5) That no offset operator objected to the proposed un-  
orthodox location.

-2-

Case No. 7229  
Order No. R-6671

(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 Pennsylvanian formation is hereby approved for the Yates Petroleum Corporation Sharp "QS" Com. Well No. 1 to be located at a point 660 feet from the South line and 660 feet from the East line of Section 4, Township 17 South, Range 26 East, NMPM, POW Field, Eddy County, New Mexico.

(2) That the S/2 of said Section 4 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

rd/

Docket No. 14-81

Dockets Nos. 15-81 and 16-81 are tentatively set for May 6 and 20, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 22, 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:

- CASE 7220: Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Connor Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Township 13 South, Range 29 East.
- CASE 7221: Application of Maddox Energy Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Flower Draw Unit Area, comprising 3,760 acres, more or less, of State lands in Townships 25 and 26 South, Range 28 East.
- CASE 7222: Application of GMW Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Starman Unit Area, comprising 2,803 acres, more or less, of State, Federal, and fee lands in Township 26 South, Range 35 East.
- CASE 7211: (Continued from April 8, 1981, Examiner Hearing)  
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 2,880 acres, more or less, of State land in Township 22 South, Range 35 East.
- CASE 7223: Application of Sun Oil Company for a dual completion and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of a well to be drilled in Unit M of Section 1, Township 22 South, Range 37 East, to produce oil from the Wantz-Granite Wash Pool and gas from the Tubb formation and to simultaneously dedicate the SW/4 of said Section 1 to said well and to its Lynch Christmas Cox Well No. 4 in Unit L.
- CASE 7224: Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations underlying the SW/4 SW/4 of Section 2, Township 29 North, Range 15 West, 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 7225: Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Maddox Well No. 1 to be drilled 1980 feet from the South line and 660 feet from the West line of Section 12, Township 23 South, Range 34 East, Northeast Antelope Ridge Field, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7226: Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.
- CASE 7227: 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 SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Hare-San Andres Gas Pool, to be dedicated to its Lansford Well No. 1 at an unorthodox location 660 feet from the South line and 1650 feet from the West line of said Section 21.
- CASE 7228: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Rio Penasco "KD" Well No. 3 to be drilled 990 feet from the North line and 660 feet from the East line of Section 11, Township 19 South, Range 25 East, the N/2 of said Section 11 to be dedicated to said well and to applicant's Rio Penasco "MF" Federal Well No. 1 located in Unit F.



CASE 7229: 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 Morrow-Pennsylvanian location of its Sharp "QS" Com. Well No. 1 to be drilled 660 feet from the South and East lines of Section 4, Township 17 South, Range 26 East, the S/2 of said Section 4 to be dedicated to the well.

CASE 7184: (Continued from March 11, 1981, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 South, Range 28 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.

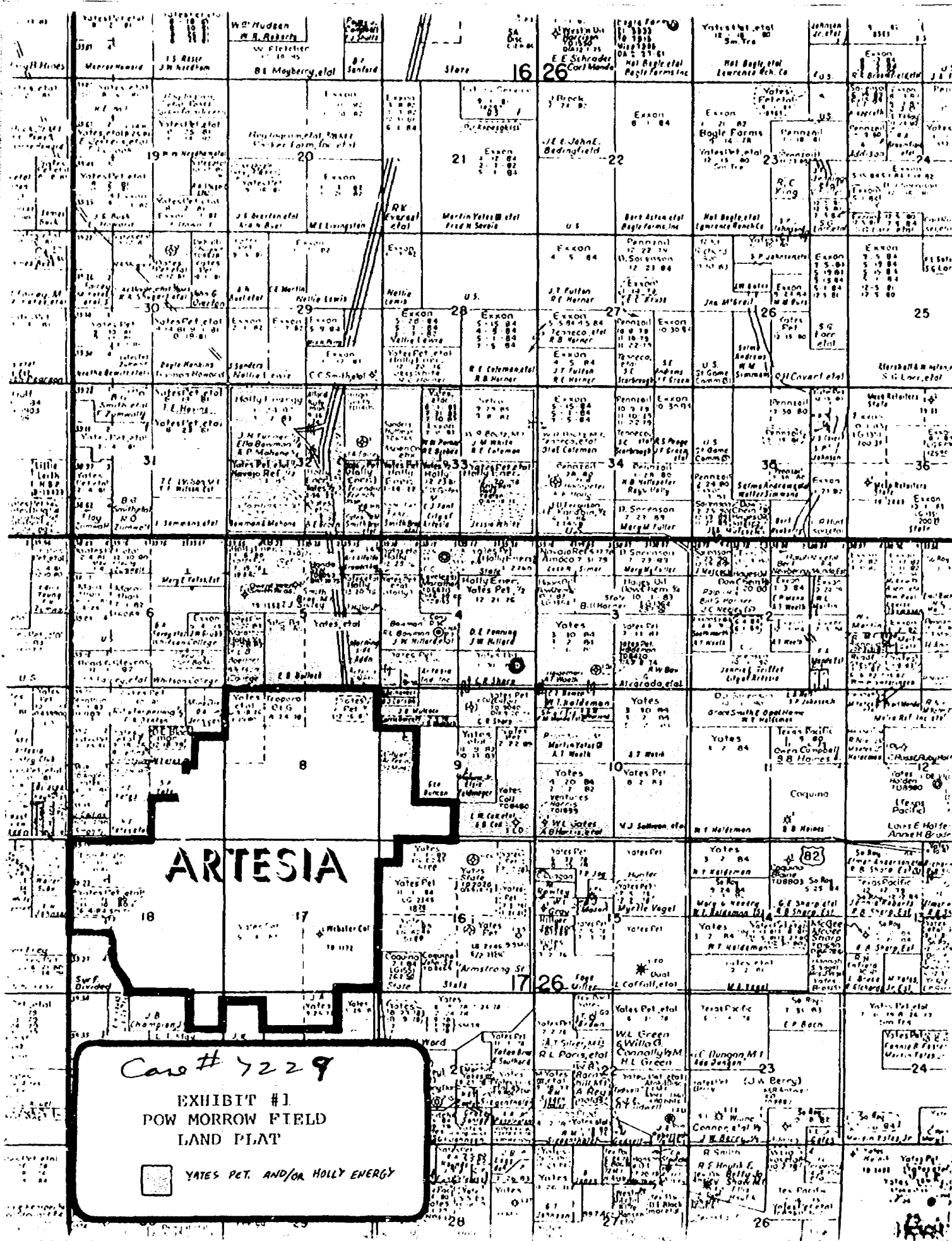
CASE 7230: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to 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 7231: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the S/2 SE/4 of Section 11, Township 29 North, Range 15 West, 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 7232: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the E/2 SW/4 of Section 12, Township 29 North, Range 15 West, 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 7233: Application of Bass Enterprises Production Co. for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Montieth Well No. 3, the surface location of which is 2130 feet from the South line and 1980 feet from the East line of Section 13, Township 16 South, Range 36 East, Northeast Lovington-Pennsylvanian Pool, and drill said well in an easterly direction to bottom it not closer than 510 feet to the outer boundary of the dedicated unit, being the N/2 SE/4 of said Section 13.

CASE 7234: Application of Getty Oil Company for a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Farming E Well No. 1-E located in Unit 1 of Section 2, Township 24 North, Range 6 West, to produce oil from the Gallup formation thru the casing-tubing annulus and gas from the Dakota formation thru tubing.



HONDO DRILLING COMPANY  
 SYN. COMM. #1  
 SECTION 5 T17S R26E  
 1650' FNL & 2310' FWL

YATES PETROLEUM  
 STATE "CK" #1  
 SECTION 4 T17S R26E  
 660' FNL & 2180' FWL

KELLY BELL  
 HOLLY #1  
 SECTION 34 T16S R26E  
 1980' FSL & 660' FWL

DATUM: TOP MORROW CLASTICS

TOP CHESTER

TOP MISS LIMESTONE

EXHIBIT #3  
 POW MORROW FIELD

STRATIGRAPHIC X-SECTION A-A'  
 DATUM: TOP MORROW CLASTICS  
 VERT. SCALE: 1" = 40'

YATES PETROLEUM  
STATE "CK" #1  
SECTION 4 T17S R26E  
660' FNL & 2180' FWL

KELLY BELL  
HOLLY #1  
SECTION 34 T16S R26E  
1980' FSL & 660' FWL

TOP CHESTER

TOP MISS LIMESTONE

F.R. (GR)

F.L. (GR)

A

HONDO DRILLING COMPANY  
SYN COMM. #1  
SECTION 5 T17S R26E  
1650' FNL & 2310' FWL

YATES PETROLEUM  
STATE "CK" #1  
SECTION 4 T17S R26E  
660' FNL & 2180' FWL

KELLY BELL  
HOLLY #1  
SECTION 34 T16S R26E  
1980' FSL & 660' FWL

*green:  
Shale  
marker*

*blue  
marrow  
fine*

DATUM: TOP MORROW CLASTICS

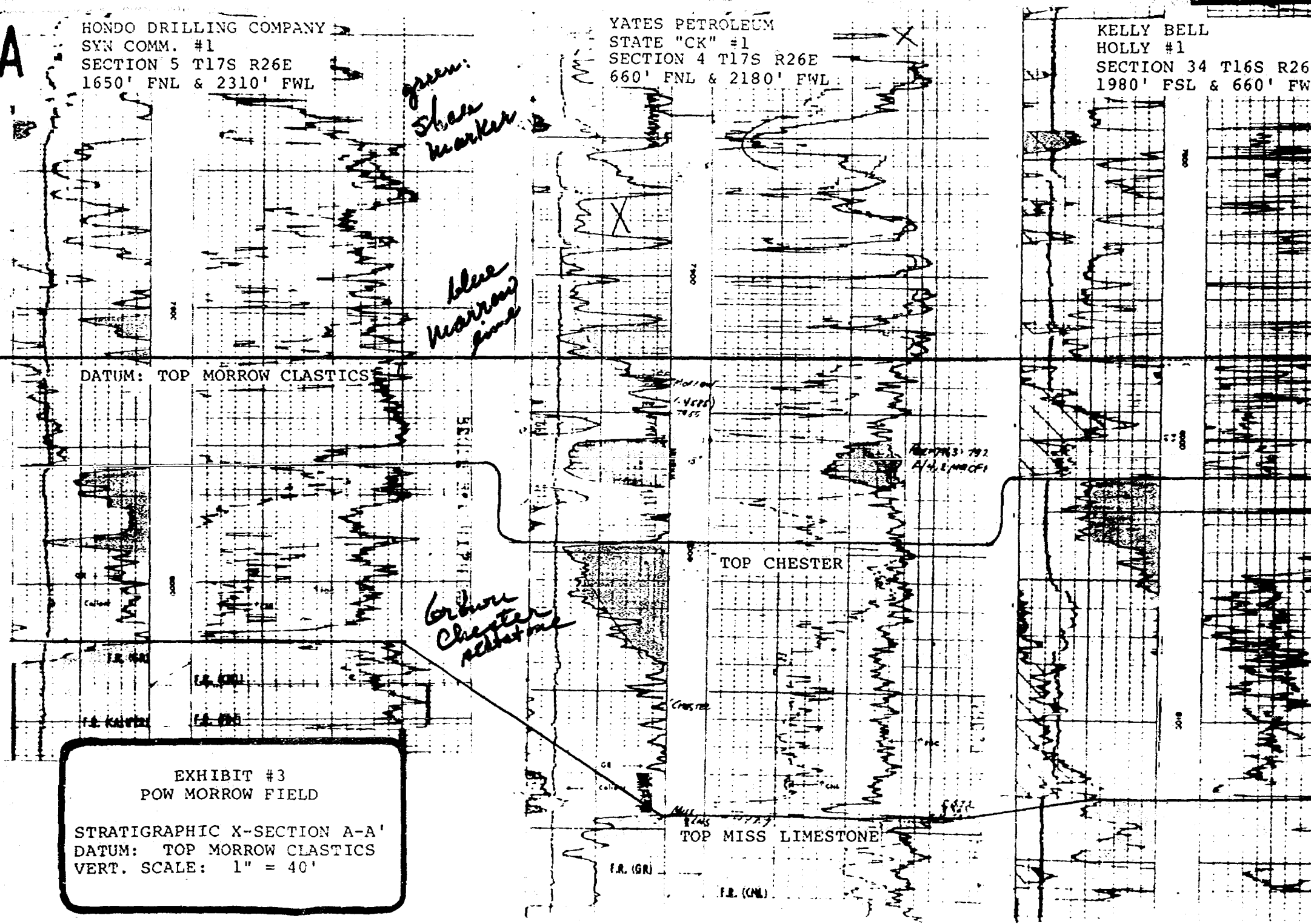
TOP CHESTER

*Green  
Chester  
sediment*

TOP MISS LIMESTONE

EXHIBIT #3  
POW MORROW FIELD

STRATIGRAPHIC X-SECTION A-A'  
DATUM: TOP MORROW CLASTICS  
VERT. SCALE: 1" = 40'



ANY

YATES PETROLEUM  
STATE "CK" #1  
SECTION 4 T17S R26E  
660' FNL & 2180' FWL

KELLY BELL  
HOLLY #1  
SECTION 34 T16S R26E  
1980' FSL & 660' FWL

green:  
Shale  
marker

blue  
marker  
zone

STICS

1121  
1122  
1123  
1124  
1125  
1126  
1127  
1128  
1129  
1130  
1131  
1132  
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1195  
1196  
1197  
1198  
1199  
1200

Green  
Chester  
section

TOP CHESTER

TOP MISS LIMESTONE

F.R. (GR)

F.R. (OM)

N A-A'  
STICS

R 26 E

35  
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16  
S

T  
17  
S

11

34

33

32

2

3

4

5

58  
\*

A

A'

DIP = 300' / MILE @ NW

PROPOSED LOCATION

Q

62  
\*

58  
+

40

10

9

62  
+

8

60

80

100

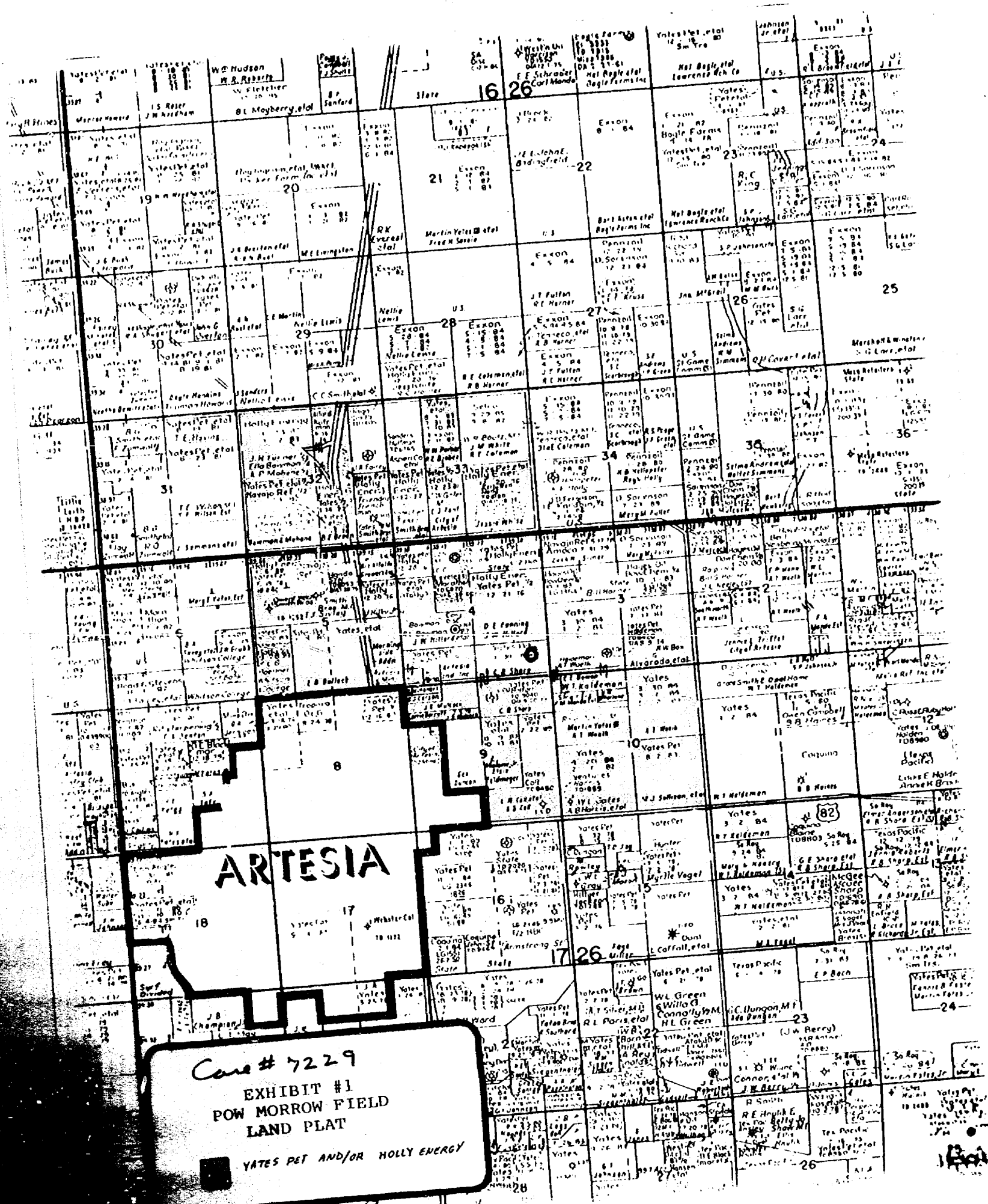
72  
+

100  
\*

EXHIBIT #2  
POW MORROW FIELD

MORROW CLASTICS ISOPACH  
SCALE: 1" = 2000' C.I.: 20'







R 26 E

35  
T  
16  
S

T  
17  
S

DIP = 300' / MILE @ NW

32

33

34

2

3

4

5

58 \*

A

46

62

PROPOSED LOCATION

9

50

40

10

60

80

100

8

62

9

11

72

100

EXHIBIT #2  
POW MORROW FIELD

MORROW CLASTICS ISOPACH  
SCALE: 1" = 2000' C.I.: 20'



R 26 E

35  
T  
16  
S

T  
17  
S

11

DIP = 300' / MILE @ NW

A'

32

33

34

58 \*

5

4

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A

40

62

PROPOSED LOCATION

O

50

40

30

8

9

62

60

80

100

72

100 \*

EXHIBIT #2  
POW MORROW FIELD

MORROW CLASTICS ISOPACH  
SCALE: 1" = 2000' C.I.: 20'

HONDO DRILLING COMPANY  
SYN COMM. #1  
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1650' FNL & 2310' FWL

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STATE "CK" #1  
SECTION 4 T17S R26E  
660' FNL & 2180' FWL

KELLY BELL  
HOLLY #1  
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DATUM: TOP MORROW CLASTICS

TOP CHESTER

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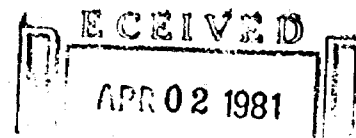
TOP MISS LIMESTONE

F.R. (GR)

F.R. (CNL)

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON  
DAVID R. VANDIVER

LAW OFFICES  
LOSEE, CARSON & DICKERSON, P. A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210



OIL CONSERVATION DIVISION  
SANTA FE  
AREA CODE 505  
746-3508

March 27, 1981

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

*Case 7229*

Re: Yates Petroleum Corporation  
Sharp "QS" Com. No. 1 Well

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson

CD:pvm  
Enclosures

cc w/attachment: Yates Petroleum Corporation

APR 02 1931  
OIL CONSERVATION DIVISION  
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 7229

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow through the Pennsylvanian formations underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 4: S/2

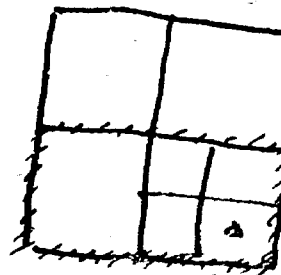
and proposes to drill its Sharp "QS" Com. No. 1 Well at a point located 660 feet from the south line and 660 feet from the east line of Section 4.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow through the Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising the S/2 of said Section 4 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:



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

B. That upon hearing the Division enter its order granting applicant permission to drill its Sharp "QS" Com. No. 1 Well 660 feet from the south line and 660 feet from the east line of said Section 4, and to dedicate the S/2 of Section 4, which is reasonably presumed to be productive of gas, to said well.

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

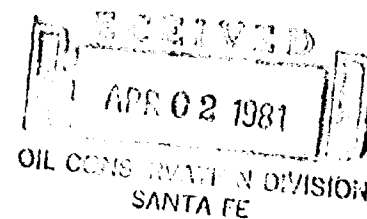
YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

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

Attorneys for Applicant





BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY :  
COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

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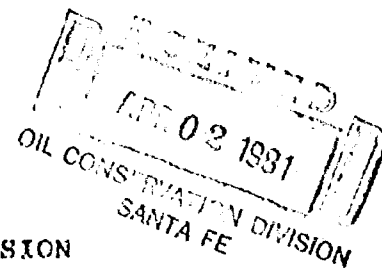
C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: Chad Dickerson  
Chad Dickerson

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

Attorneys for Applicant



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 7229

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Township 17 South, Range 26 East, N.M.P.M.

Section 4: S/2

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3. A standard 320-acre gas proration unit comprising the S/2 of said Section 4 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

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

B. That upon hearing the Division enter its order granting applicant permission to drill its Sharp "QS" Com. No. 1 Well 660 feet from the south line and 660 feet from the east line of said Section 4, and to dedicate the S/2 of Section 4, which is reasonably presumed to be productive of gas, to said well.

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

YATES PETROLEUM CORPORATION

By: *Chad Dickerson*  
Chad Dickerson

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

Attorneys for Applicant

DRAFT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 7229

ORDER NO. R- 6671

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 22,  
19 81, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of April, 19 81, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Yates Petroleum Corporation,  
for its Sharp "QS" Com. Well No. 1 to be drilled  
seeks approval of an unorthodox gas well location/ 660  
feet from the South line and 660 feet from the  
East line of Section 4, Township 17 South,  
Range 26 East, NMPM, to test the Morrow-Pennsylvanian  
formation; PDW Field, Eddy  
County, New Mexico.

(3) That the S/2 of said Section 4 is to be  
dedicated to the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox  
location.

-2-

Case No. \_\_\_\_\_

Order No. R- \_\_\_\_\_

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the ~~Marathon~~ Pennsylvanian the Yates Petroleum Corporation Sharp "QS" Com. Well No. 1 formation is hereby approved for ~~axwax~~ to be located at a point 660 feet from the South line and 660 feet from the East line of Section 4, Township 17 South, Range 26 East NMPM, POW ~~Quartz~~ ~~Field~~ ~~Pool~~ Field Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 4 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.