

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 ADMINISTRATIVE APPROVAL
OF AN UNORTHODOX GAS WELL LOCATION

APPLICATION

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

1. Applicant is the operator under an operating agreement which covers, in part, the following lands:

Township 13 South, Range 36 East, N.M.P.M.

Section 32: S/2

Lea County, New Mexico

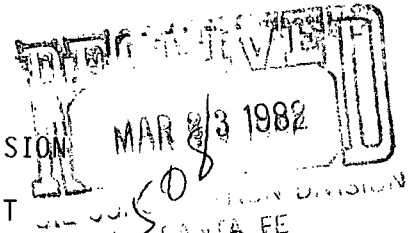
2. Applicant proposes to drill its Richardson #2 well at a location 660 feet from the South line and 660 feet from the West line of said Section 32 to a depth sufficient to test the Atoka-Mississippian formation.

3. The location set forth in §2 above is an unorthodox location under New Mexico Oil Conservation Commission Rule 104 (B) (I).

4. Pursuant to Rule 104 (F)(II), applicant requests administrative approval, based on geological conditions, of the unorthodox location.

5. Applicant requests that the S/2 of Section 32, containing 320 acres be dedicated to the Richardson #2 well.

6. Applicant has submitted as part of this application a plat showing the ownership of all leases offsetting the proration unit, S/2 of Section 32, for the Richardson #2 well and showing all wells completed on the offset leases.



*NSL-104
Rule 104
No off sets
Immediate
Pennsylvanian thru
Mississippian
formations*

7. Applicant has submitted as part of this application appropriate geological maps, cross-sections and/or logs, and a discussion of the geological conditions which result in the necessity for the unorthodox location.

8. Applicant is the operator of each proration or spacing unit or is the lessee of record of each lease offsetting the S/2 of Section 32.

9. Applicant hereby waives any objection it might raise to the unorthodox location set forth in §2 hereof.

WHEREFORE, applicant prays:

A. That the Division, based upon geological conditions, grant without notice and hearing an exception to the well location requirements of Rule 104 (B)(I) allowing applicant to drill its Richardson #2 well at a location 660 feet from the South line and 660 feet from the West line of Section 32 of Township 13 South, Range 36 East, N.M.P.M., in Lea County, New Mexico and to dedicate the S/2 of said Section 32, containing 320 acres, to said well.

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

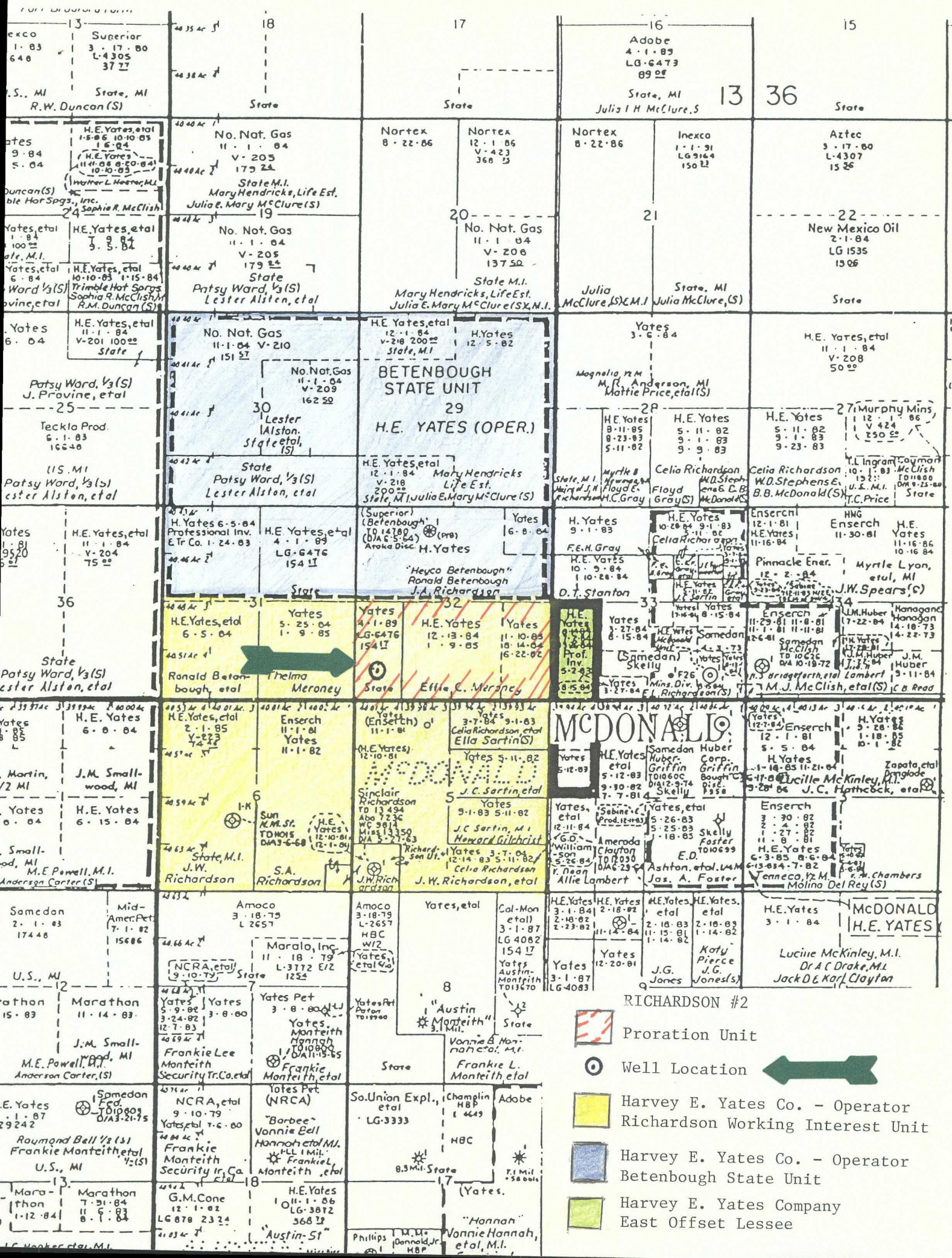
DATED this 22 day of March, 1982.

HARVEY E. YATES COMPANY

By:



Thomas J. Hall, III
Attorney for Applicant
Post Office Box 1933
Roswell, New Mexico 88201



APPLICATION FOR ADMINISTRATIVE APPROVAL FOR UNORTHODOX LOCATION:

RICHARDSON #2

GEOLOGICAL DISCUSSION

A well drilled 660' FSL and 660' FWL, Section 32, Township 13 South, Range 36 East, Lea County, New Mexico, is believed to be the most favorable location for Mississippian (Austin) and Atoka production. The Austin should be encountered at a very slightly better structural position than the #1 Richardson and is considered to be the primary objective of this test. The Austin zone in the Richardson was recently tested openhole and flowed 3.211 MMCFGPD on a one-half inch choke, SITP 4100 PSI and FTP PSI. The well is presently SI and waiting on a gas line connection at which time a four point test will be conducted.

The Atoka sand is well developed in the #1 Richardson, but appears to be water bearing. Log analysis indicates a gas-water contact near the top of the lower well-developed sand. A well drilled at the proposed location should be structurally higher and have a gas productive column from the Atoka sand.

The trapping mechanism for the Cisco carbonate is believed to be a combination structural-stratigraphic situation. The proposed location is not the optimum location for a Cisco test; however, it is the preferred location for Austin and Atoka production, and as the factors which control Cisco production are rather uncertain, we feel this is the best location to drill at this time.

Existing geophysical information was reviewed by a geophysical consultant, Don Hibbits, and the proposed location is a result of his interpretation. No geophysical contoured maps were made, but dip attitudes were interpreted from seismic lines immediately north and to the west of the #1 Richardson.