F. U1/10

119239643 NSL 7/30/01

YATES PETROLEUM CORPORATION **105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210**

FAX COVER SHEET

TO:

Mr. Michael Stogner

COMPANY: NMOCD

PHONE:

(505) 476-3440

FAX:

(505) 476-3462

FROM:

Clifton R. May

COMPANY: Yates Petroleum Corporation

PHONE:

(505) 748-4347

FAX:

(505) 748-4572

DATE:

July 10, 2001

NUMBER OF PAGES: TEN

COMMENTS: Application for administrative approval for an Unorthodox Location.

S. P. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES

PKESIDÉNT

PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY

DENNIS G. KINSEY

MARTIN YATES, III 1912 - 1985 FRANK W. YATES



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

July 10, 2001

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe. New Mexico 87508 Via Facsimile

<u>Certified Mail</u>

Return Receipt Request

RE:

Application for Unorthodox Location

Vaca "AZJ" State #1 Re-entry

519' FNL & 803' FEL, Sec. 21-T10S-R34E

Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully request administrative approval for an unorthodox Morrow gas well, the Vaca "AZJ" State #1. The proposed well is located on State of New Mexico Minerals, Lease V-5521, 519' FNL & 803' FEL of Section 21, Township 10 South, Range 34 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was originally drilled by Sun Oil Company and plugged and abandoned as a dry hole in August 1968. Yates will re-enter this well using a pulling unit and a reverse unit. The plugs in the 13 3/8" casing & 11" open hole will be cleaned out to the top of the 8 5/8" casing at 1390'. The 8 5/8" casing will be repaired and tied back to the surface from 1390' and cement circulated to surface. After the other cuts in the 8 5/8" casing have been repaired and casing has been cleaned out to the base of the 8 5/8" casing at 4000', a drilling rig will be moved in and clean out the 7 7/8" open hole to the original TD of 10,008'. Then the drilling rig will deepen the hole to a new TD of 12,500' +/- and then run 4 ½" casing to TD and cemented with the top of cement being 7000' +/-.

Yates concludes that it is cheaper to re-enter and deepen this well than to drill a new well and would be in the best interest of conservation.

Yates Petroleum Corporation is the operator on all the offset proration units around the lease. Therefore, Yates requests that this unorthodox location be administratively approved as early as possible.

Enclosed are forms C-101, C-102, and Land plat showing the lease around this well.

Thank you for your consideration of this request. Please call me at (505) 748-4347 if you need further information.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton M. May Regulatory Agent

CRM/dc

DISTRICT I					State of Ne	New Mexico				Form C-101	
1625 N. Frenc	ch Dr., Hobbs	, NM 88240	Ener	gy, Miner	als and Natu	ral Resourc	es Dep	artment		Rev	ised March 17, 1999
DISTRICT II									Suh	mit to anno	Instructions on back printe District Office
811 South Fir		M 88210		OIL CONSERVATION DIVISION					540		tate Lease - 6 Copies
DISTRICT III	r									Fee Lease - 5 Copies	
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DISTRICT IV 2040 South P		Re, NM 8750):		•					AM	iended report
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Date:		-	Phone:			Conditions of			, , , , , , , , , , , , , , , , , , ,		
j	07/11/0	1) (505) 748	-1471	Attached []				

YATES PETROLEUM CORPORATION

Vaca "AZJ" State #1 Re-entry
519' FNL & 803' FEL
Section 21-T10S-R34E
Lea County, New Mexico
Lease #VO-5521

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Sun Oll Company as their New Mexico "L" State #1 which was plugged in 1968. Yates will use a pulling unit and a reverse unit to drill out the cement plugs In the 13 3/8" casing which was set at 425' and cemented with 250 sacks. The plugs in the 11" open hole will be drilled out to the top of the 8 5/8" casing which was cut at 1390'. The 8 5/8" casing will be repaired and tied back to surface and cemented to surface. After the other cuts in the 8 5/8" casing have been repaired and the casing cleaned out to the base of the 8 5/8 " casing at 4000', a drilling rig will be moved on the well and the drilling rig will clean out the 7 7/8" open hole to the old TD of 10,008'. Then the well bore will be drilled deeper to a new TD of 12,500'. After reaching the new TD, a new suite of open hole logs will be ran. Yates will run 4 1/2" production casing to TD and will be cemented with approximately 850 sacks of cement to bring the cement top up to 4000'+/- The mud program to be used will be 9.4 - 9.8 ppg brine water with a 55-70 viscosity. A 5000# BOPE will be installed on the 8 5/8" casing.

The well will be completed using a pulling unit. The Morrow formation will be the main target for completion.

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OIL REPORTS

→→→ YATES PETROLEUM @013

NEW AICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Porm C-102 Supersedes C-128 Effective 14-65

		Al distances mu	st be from the outer bo	underles of the Sert	on C.	
Sun Oil	Company		New Mex	co "L" State	1200	Well No.
Unit Letter	Section 21	Township 105	Range 34E	County	-4	
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					Date Surveyed 5-3- Registered Pro- and of Land Su Certificate No.	fensional Engineer

DISTRICT I SORE M. Pressie Dr., Sabba, 156 State

State of New Mexico Story, Minerale and Material Resources Reportment.

Form C-102 Revised March 17, 1990 Instruction on back Submit to Appropriate District Office Moto Lease - 4 Copies For Liess - 5 Copies

DISTRICT II DISTRICT III 1000 Me Bresse M., Artes, RM 87410

OIL CONSERVATION DIVISION

Santa Fe. New Mexico 87504-2088

P.O. Box 2088

DISTRICT IV 2040 South Pushess, Santa Fe, MM 87605

C AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code Pool Name			
	row		
Propo	rty Name	Woll Mumber	
Vaca "AZJ"	1		
Opera	ter Name	Elevation	
Yates Petrole	4196'		
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Bottom Hole Location If Different From Surface

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320								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

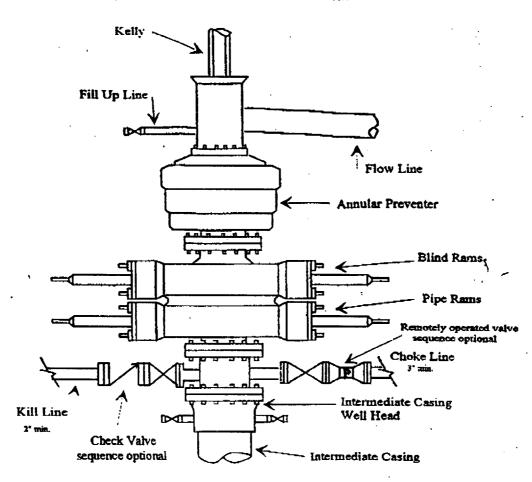
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		803'	OPERATOR CERTIFICATION I hereby caretify the the information perduted herein is true and complete to the best of my installed; and bottof.
			Clift R. May
	VO-5521		Printed Name Regulatory Agent Title July 11, 2001 Bete
			SURVEYOR CERTIFICATION I hereby carety that the well leastless shown on this plat was plotted from flaid notes of actual surveys made by one or under my supervisors, and that the same to from stall approach to the best of my belief.
			Refer to original plat Date Surveyed Signature & Seal of Professional Surveyor
			Cortificate No. Herschel L. Jones RLS 3640
			GENERAL SURVEYING COMPANY



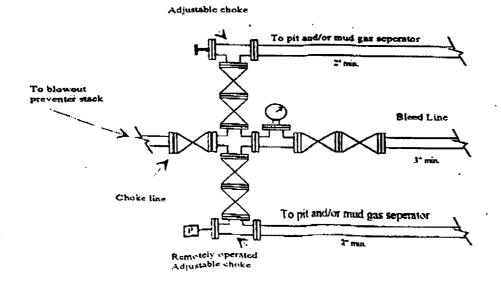
Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

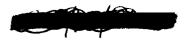


Typical 5,000 psi choke manifold assembly with at least these minimun features



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MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREETUL 23 PH 1:21 ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY

TREASURER

July 10, 2001

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87508 Via Facsimile

<u>Certified Mail</u>

Return Receipt Request

RE:

Application for Unorthodox Location

Vaca "AZJ" State #1 Re-entry

519' FNL & 803' FEL, Sec. 21-T10S-R34E

Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully request administrative approval for an unorthodox Morrow gas well, the Vaca "AZJ" State #1. The proposed well is located on State of New Mexico Minerals, Lease V-5521, 519' FNL & 803' FEL of Section 21, Township 10 South, Range 34 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was originally drilled by Sun Oil Company and plugged and abandoned as a dry hole in August 1968. Yates will re-enter this well using a pulling unit and a reverse unit. The plugs in the 13 3/8" casing & 11" open hole will be cleaned out to the top of the 8 5/8" casing at 1390'. The 8 5/8" casing will be repaired and tied back to the surface from 1390' and cement circulated to surface. After the other cuts in the 8 5/8" casing have been repaired and casing has been cleaned out to the base of the 8 5/8" casing at 4000', a drilling rig will be moved in and clean out the 7 7/8" open hole to the original TD of 10,008'. Then the drilling rig will deepen the hole to a new TD of 12,500' +/- and then run 4 ½" casing to TD and cemented with the top of cement being 7000' +/-.

Yates concludes that it is cheaper to re-enter and deepen this well than to drill a new well and would be in the best interest of conservation.

Yates Petroleum Corporation is the operator on all the offset proration units around the lease. Therefore, Yates requests that this unorthodox location be administratively approved as early as possible.

Enclosed are forms C-101, C-102, and Land plat showing the lease around this well.

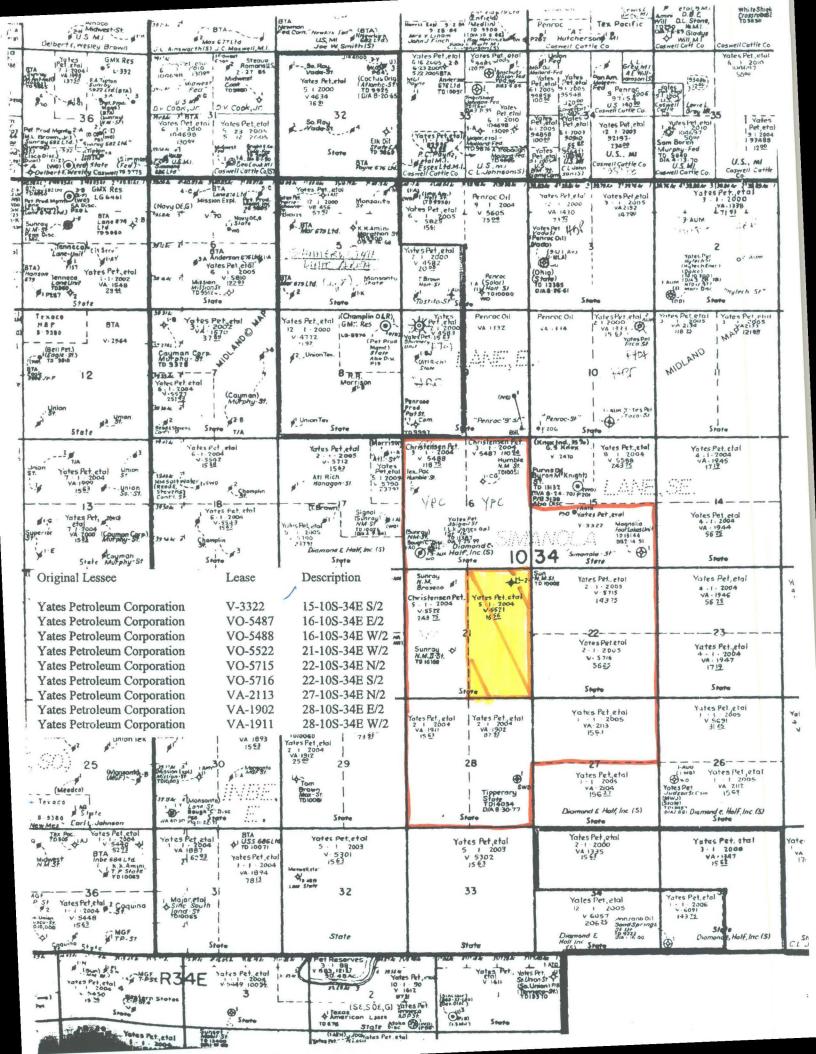
Thank you for your consideration of this request. Please call me at (505) 748-4347 if you need further information.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton H. May Regulatory Agent

CRM/dc



State of New Mexico

1625 N. French Dr., Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

Form C-101 Revised March 17, 1999 Instructions on back Submit to appropriate District Office

DISTRICT II

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION PO BOX 2088

State Lease - 6 Copies Fee Lease - 5 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, NM 87504-2088

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	07/11/01	1	1 (5	505) 748	-1471	Attached					

YATES PETROLEUM CORPORATION

Vaca "AZJ" State #1 Re-entry
519' FNL & 803' FEL
Section 21-T10S-R34E
Lea County, New Mexico
Lease #VO-5521

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Sun Oil Company as their New Mexico "L" State #1 which was plugged in 1968. Yates will use a pulling unit and a reverse unit to drill out the cement plugs in the 13 3/8" casing which was set at 425' and cemented with 250 sacks. The plugs in the 11" open hole will be drilled out to the top of the 8 5/8" casing which was cut at 1390'. The 8 5/8" casing will be repaired and tied back to surface and cemented to surface. After the other cuts in the 8 5/8" casing have been repaired and the casing cleaned out to the base of the 8 5/8 " casing at 4000', a drilling rig will be moved on the well and the drilling rig will clean out the 7 7/8" open hole to the old TD of 10,008'. Then the well bore will be drilled deeper to a new TD of 12.500'. After reaching the new TD, a new suite of open hole logs will be ran. Yates will run 4 1/2" production casing to TD and will be cemented with approximately 850 sacks of cement to bring the cement top up to 4000'+/- The mud program to be used will be 9.4 - 9.8 ppg brine water with a 55-70 viscosity. A 5000# BOPE will be installed on the 8 5/8" casing.

The well will be completed using a pulling unit. The Morrow formation will be the main target for completion.

DISTRICT I 1695 M. French Dr., Robbs, 304 86840 DISTRICT II Sil South First, Artesia, RM 88210 DISTRICT III 1000 Rio Brazos Rd., Astec, NM 87410 DISTRICT IV 2040 South Pachece, Santa Fe, NM 87506

State of New Mexico

Rnergy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999 instruction on back Submit to Appropriate District Office

> State Lease - 4 Copies For Lease - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name			
30-025-225575	}	Wildcat Morrow			
Property Code	Property	Property Name			
28315	Vaca "AZJ" S	State	1		
OCRID No.	Operator	· Name	Elevation		
025575	Yates Petroleum	Corporation	4196'		
	Surface	Location			

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	10S	34E		519	North	8031	East	Lea

Bottom Hole Location If Different From Surface

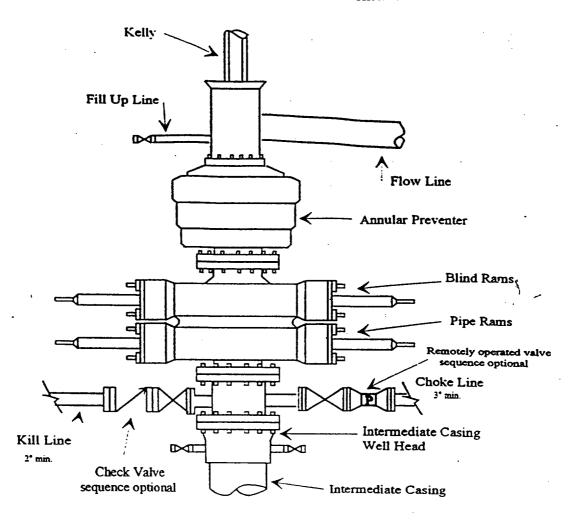
UL or lot No.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint o	r infill Co	msolidation C	Code Or	der No.	<u> </u>			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

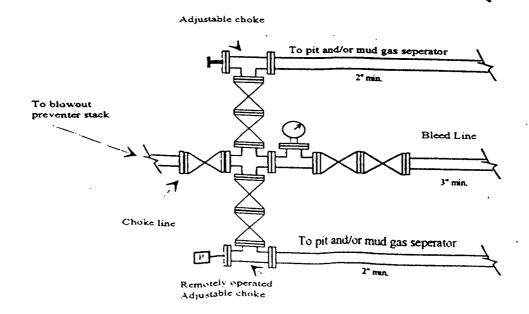
	5191	OPERATOR CERTIFICATION
	803'	I hereby certify the the information contained herein is true and complete to the best of my inculades and boiles.
		Clift R. May
		Clifton R. May Printed Name
		Regulatory Agent
VO-5521		July 11, 2001 Date
		SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
		Refer to original plat
		Signature & Seal of Professional Surveyor
		·
		Certificate No. Herschel L. Jones RLS 3640
		GENERAL SURVEYING COMPANY

Yates Petroleum Corporation

Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimun features



/	: Cimanda - Penn ! Ira Crinty	
LOOK HOW.	TA WILLY	
GL: 4176 ZERO AGL: KB: SPUD DATE: 5-24-18 COMPLETION DATE: 6-28-18	CASING PROG	RAM
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75 Sx 9750-7658		
25 SY 10008- 9716'		
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·→→ YATES PETROLEUM

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NEW XICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section. Operator Well No. New Mexico "L" State Sun Oil Company Unit Letter Section Township 34E 105 Lea Actual Footage Location of Wells 518.6 North 802.91 East feet from the line and feet from the line Ground Level Elev: Producing Formation Dedicated Acreage: Bough "C" Simanola-Penn. 80 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? If answer is "yes," type of consolidation ____ If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. **CERTIFICATION** I hereby certify that the information con-802.9 tained herein is true and complete to the best of my knowledge and ballet. Name Ross R. Cone, Position Asst. Regional Supt. Company Sun Oil Company May 6, 1968 I hereby certify that the well'location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and balief. Registered Professional Engineer

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			Sun Dil Co. New Mexico L' Star 518.6' FNL - 802.9' A 5ped: 10008' FD - 10008' PXA'Ed 8-9-68 Simanola-Pena	E2 24-63
			30-025-22557	

660

141' - 200./

SIMANOLA-PENNSYLVANIAN POOL Lea County, New Mexico

Order No. R-2645, Creating and Adopting Temporary Operating Rules for the Simanola-Pennsylvanian Pool, Lea County, New Mexico, February 15, 1964.

Order No. R-2645-B, March 15, 1965, makes permanent the temporary rules adopted in Order No. R-2645.

Application of Sunray DX Oil Company for the creation of a new oil pool and for special temporary pool rules, Lea County, New Mexi-

> CASE NO. 2942 Order No. R-2645

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 20, 1963, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of January, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Sunray DX Oil Company, seeks an order creating a new Bough "C" oil pool in Lea County, New Mexico, and promulgating temporary special rules and regulations establishing 160-acre spacing and fixed well locations in said pool.
- (3) That the applicant's New Mexico State "AO" Well No. 1, located in Unit M of Section 16, Township 10 South, Range 34 East, NMPM, Lea County, New Mexico, has encountered a separate common source of supply which should be designated the Simanola-Pennsylvanian Pool.

- (4) That the applicant's New Mexico State "AO" Well No. 1 was completed October 31, 1963; that the top of the perforations in the Pennsylvanian formation in said well is at 9933 feet.
- (5) That although the evidence concerning reservoir characteristics and economics will not justify temporary 160-acre spacing, temporary special rules and regulations providing for 80-acre spacing should be promulgated for the subject pool in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights.
- (6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.
- (7) That the temporary special rules and regulations promulgated herein should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.
- (8) That this case should be reopened in February, 1965, at which time the operators in the Simanola-Pennsylvanian Pool should appear and show cause why said pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated the Simanola-Pennsylvanian Pool with vertical limits comprising the Pennsylvanian formation and horizontal limits consisting of the following-described area:

NEW MEXICO PRINCIPAL MERIDIAN LEA COUNTY, NEW MEXICO TOWNSHIP 10 SOUTH, RANGE 34 EAST

Section 16: SW/4 Section 17: SE/4 Section 20: NE/4 Section 21: NW/4

(2) That Special Rules and Regulations for the Simanola-Pennsylvanian Pool are hereby promulgated as follows, effective February 15, 1964.

SPECIAL RULES AND REGULATIONS FOR THE SIMANOLA-PENNSYLVANIAN POOL

(SIMANOLA-PENNSYLVANIAN POOL - Cont'd.)

- RULE 1. Each well completed or recompleted in the Simanola-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Simanola-Pennsylvanian Pool, and not nearer to or within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well completed or recompleted in the Simanola-Pennsylvanian Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.
- RULE 4. The first well drilled on every standard or non-standard unit in the Simanola-Pennsylvanian Pool shall be located within 200 feet of the center of either the NE/4 or the SW/4 of a governmental quarter section. All wells shall be located within 200 feet of the center of a governmental quarter-quarter section.
- RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished.

The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Simanola-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Simanola-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

- (1) That any well presently drilling to or completed in the Pennsylvanian formation within the Simanola-Pennsylvanian Pool or within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to said rule; that the operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before February 15, 1964.
- (2) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Simanola-Pennsylvanian Pool shall file a new Form C-128 with the Commission on or before February 15, 1964.
- (3) That this case shall be reopened at an examiner hearing in February, 1965, at which time the operators in the subject pool may appear and show cause why the Simanola-Pennsylvanian Pool should not be developed on 40-acre spacing units.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 3836 Order No. R-3472

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER CREATING, ABOLISHING, CONTRACTING, AND EXTENDING CERTAIN POOLS IN CHAVES AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 14, 1968, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of August, 1968, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That there is need for the creation of a new oil pool in Chaves County, New Mexico, for the production of oil from the Queen formation, said pool to bear the designation of Sulimar-Queen Pool. Further, that the discovery well for said pool, Jack M. McClellan's Lisa "C" Federal No. 1, located in Unit A of Section 24, Township 15 South, Range 29 East, NMPM, is entitled to and should receive a bonus discovery oil allowable in the amount of 10,155 barrels to be assigned over a two-year period. The top of the perforations in said well is at 2,031 feet.
- (3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the

-2-CASE No. 3836 Order No. R-3472

Wolfcamp formation, said pool to bear the designation of Dogie Draw-Wolfcamp Pool. Said Dogie Draw-Wolfcamp Pool was discovered by the Southland Royalty Company Gulf Federal Well No. 1, located in Unit D of Section 20, Township 25 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on March 28, 1968. The top of the perforations is at 13,466 feet.

- (4) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of West King-Pennsylvanian Pool. Said West King-Pennsylvanian Pool was discovered by the Southwest Production Corporation Harmon Well No. 1, located in Unit M of Section 5, Township 14 South, Range 37 East, NMPM. It was completed in the Pennsylvanian formation on February 27, 1968. The top of the perforations is at 11,399 feet.
- (5) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Drinkard formation, said pool to bear the designation of East Warren-Drinkard Pool. Said East Warren-Drinkard Pool was discovered by the Mobil Oil Corporation New Mexico "F" Well No. 1, located in Unit D of Section 36, Township 20 South, Range 38 East, NMPM. It was completed in the Yeso formation on August 2, 1960. The top of the perforations is at 6933 feet.
- (6) That there is need for the deletion of certain acreage from the Warren-Drinkard Pool, Lea County, New Mexico, inasmuch as it has been determined that said deleted area constitutes a separate source of supply and has been designated as the East Warren-Drinkard Pool.
- (7) That there is need for the deletion of certain acreage from the Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, in order that the deleted acreage may be included in the Vada-Pennsylvanian Pool.
- (8) That there is need for the consolidation of the Simanola-Pennsylvanian Pool and the Vada-Pennsylvanian Pool, Lea County, New Mexico, inasmuch as both pools produce from a common source of supply. Said consolidation should be accomplished by the abolishment of the Simanola-Pennsylvanian Pool and extension of the Vada-Pennsylvanian Pool.
- (9) That there is need for certain extensions to the Flying "M"-San Andres Pool and the Vada-Pennsylvanian Pool, both in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Chaves County, New Mexico, classified as an oil pool for Queen production is hereby created and designated as the Sulimar-Queen Pool, consisting of the following-described area:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM Section 24: NE/4 NE/4

That the discovery well for said pool, Jack M. McClellan's Lisa "C" Federal No. 1, located in Unit A of Section 24, Township 15 South, Range 29 East, NMPM, is hereby authorized an oil discovery allowable of 10,155 barrels to be assigned to said well at the rate of 14 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that should subsequent development prove that the subject well has not discovered a separate common source of supply, all bonus discovery allowable remaining unproduced at such time shall be cancelled.

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the Dogie Draw-Wolfcamp Pool, consisting of the following-described area:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM Section 20: NW/4

(c) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated as the West King-Pennsylvanian Pool, consisting of the following-described area:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM Section 5: SW/4

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production, is hereby created and designated as the East Warren-Drinkard Pool, consisting of the following-described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 35: NE/4 Section 36: NW/4 (e) That the Warren-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following-described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 25: All

Section 26: All

Section 27: E/2

Section 35: NE/4

Section 36: NW/4

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 30: S/2

(f) That the Flying "M"-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM Section 33: SE/4

(g) That the Simanola-Pennsylvanian Pool in Lea County, New Mexico, consisting of the following-described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 16: SW/4

Section 17: E/2

Section 20: All

Section 21: NW/4

is hereby abolished.

(h) That the Inbe Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following-described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM Section 18: SW/4

(i) That the Vada-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM

Section 8: SE/4

(i) - Continued from Page 4 -

TOWNSHIE	10	SOUTH,	RANGE	34	EAST,	NMPM
Section	4:	SW/4				
Section	5:	SE/4				
Section	7:	A11				
Section	8:	All				
Section	16:	SW/4				
Section	17:	All				
Section	18:	A11				
Section	20:	All				
Section	21:	NW/4				

IT IS FURTHER ORDERED:

That the effective date of this order and all creations, abolishments, contractions, and extensions included herein shall be September 1, 1968.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

VADA-PENNSYLVANIAN POOL Lea County, New Mexico

Order No. R-3179-A, Adopting Temporary Operating Rules for the Vada-Pennsylvanian Pool, Lea County, New Mexico, October 15, 1967.

Order No. R-3179-A supersedes Order No. R-3179, adopting temporary operating rules for the field.

Order No. R-3179-B, September 12, 1968, makes permanent the rules adopted in Order No. R-3179-A.

Special depth bracket allowable of 382 barrels per day established as top unit allowable, Order No. R-4429, October 27, 1972.

Application of Midwest Oil Corporation for an amendment to Order No. R-3179, Lea County, New Mexico.

> CASE NO. 3513 Order No. R-3179-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on September 27, 1967, at Santa Fe, New Mexico before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1967, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That by Order No. R-3179, dated January 18, 1967, temporary Special Rules and Regulations were promulgated for the Vada-Pennsylvanian Pool, Lea County, New Mexico, providing for 80-acre spacing units, limited well locations, and an 80-acre proportional factor of 4.77 for allowable purposes, and providing that said temporary rules be reconsidered at an examiner hearing to be held in January, 1968.
- (3) That the applicant, Midwest Oil Corporation, seeks amendment of the temporary Special Rules and Regulations promulgated by Order No. R-3179 to provide for 160-acre spacing units and the establishment of a 160-acre proportional factor of 4.77 for allowable purposes.

(4) That the applicant also seeks to have said rules and regulations, as proposed, made permanent.

- (5) That the evidence presented indicates the establishment of 160-acre spacing units and a 160-acre proportional factor of 4.77 in the Vada-Pennsylvanian Pool for a temporary period of one year only is warranted.
- (6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the temporary Special Rules and Regulations promulgated by Order No. R-3179 should be amended to provide for 160-acre spacing units and the establishment of a 160-acre proportional factor of 4.77 for allowable purposes.

- (7) That the temporary Special Rules and Regulations promulgated by Order No. R-3179, as amended by this order, should continue in effect for a period of one year from the effective date of this order to allow the operators in the subject pool to gather additional reservoir information to establish the area that can be efficiently and economically drained and developed by one well.
- (8) That this case should be reopened at an examiner hearing in September, 1968, at which time the operators in the subject pool may appear and show cause why the Vada-Pennsylvanian Pool should not be developed on less than 160-acre spacing units and to show cause why the 160-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained. IT IS THEREFORE ORDERED:
- (1) That the Special Rules and Regulations governing the Vada-Pennsylvanian Pool, Lea County, New Mexico, promulgated by Order No. R-3179, are hereby amended to read in their entirety as follows, effective October 15, 1967:

SPECIAL RULES AND REGULATIONS FOR THE VADA-PENNSYLVANIAN POOL

- RULE 1. Each well completed or recompleted in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.
- RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.
- RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.
- RULE 6. A standard proration unit (158 through 162 acres) shall be assigned a proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 160 acres.

(VADA-PENNSYLVANIAN POOL - Cont'd.)

IT IS FURTHER ORDERED:

- (1) That the locations of all wells presently drilling to or completed in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile there-of are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before October 15, 1967.
- (2) That each well presently drilling to or completed in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof shall, after October 15, 1967, receive an allowable in the same proportion to a standard 160-acre allowable for the pool as the acreage presently dedicated to the well bears to 160 acres, until Form C-102 dedicating 160 acres to the well has been filed with the Commission, or until a non-standard unit containing less than 160 acres has been approved.
- (3) That this case shall be reopened at an examiner hearing in September, 1968, at which time the operators in the subject pool may present the results of interference tests and other pertinent evidence to show cause why the subject pool should not be developed on less than 160-acre spacing units and to show cause why the 160-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained.
- (4) That Order No. R-3179 entered by the Commission on January 18, 1967, is hereby superseded.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATELINE-ELLENBURGER POOL (Allowable Assignments Extended) Lea County, New Mexico

Order No. R-2943-A, Extending the Allowable Assignment Provisions of Order No. R-2943 for the Stateline-Ellenburger Pool, Lea County, New Mexico, January 18, 1967.

In the Matter of Case No. 3277 Being Reopened by the Oil Conservation Commission on its Own Motion to Consider the Necessity for the Continuance of the Special Allowables Assigned to Wells in the Stateline-Ellenburger Pool, Lea County, New Mexico.

CASE NO. 3277 Order No. R-2943-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 4, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of January, 1967, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That by Order No. R-2943, dated August 6, 1965, the Commission established the top unit allowable for wells on a standard proration unit in the Stateline-Ellenburger Pool, Lea County, New Mexico, as 330 barrels of oil per day so long as a discovery allowable remained in effect in the Texas portion of the pool.
- (3) That said Order No. R-2943, also provided that upon discontinuance of the discovery allowable in the Texas portion of the pool, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, would be determined in accordance with Rule 505 of the Commission Rules and Regulations.
- (4) That the discovery allowable is still in effect in the Texas portion of said pool and will remain in effect until on or about May 2, 1967.
- (5) That the allowable provisions of Order No. R-2943 should be continued in effect through April 30, 1967.
- (6) That effective May 1, 1967, the top unit allowable for wells in the subject pool should be determined in accordance with Rule 505 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

- (1) That the allowable provisions of Order No. R-2943 are hereby continued in effect through April 30, 1967.
- (2) That effective 7:00 a.m. May 1, 1967, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, shall be determined in accordance with Rule 505 of the Commission Rules and Regulations.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

NORTHEAST BAGLEY-WOLFCAMP POOL Lea County, New Mexico

Order No. R-3184, Adopting Temporary Operating Rules for the Northeast Bagley-Wolfcamp Pool, Lea County, New Mexico, February 1, 1967.

Order No. R-3184-A, February 12, 1968, makes permanent the rules adopted in Order No. R-3184.

Application of Southern Natural Gas Company for Special Rules, Lea County, New Mexico.

CASE NO. 3520 Order No. R-3184

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

119239643

New Mexico Oil Conservation Division---Enginnering Bureau Administrative Application Process Documentation

Date Application Received:	7-10-01
Date of Preliminary Review:	7-30-01
(Note: Must be within 10-days of received date)	
Results:Application Complete	Application Incomplete
Date Incomplete Letter Sent:	NB
Deadline to Submit Requested Information:	NA
Phone Call Date:	NA
(Note: Only applies is requested data is not submitted w	vithin the 7-day deadline)
Phone Log Completed? Yes	No
Date Application Processed:	1-30-2001
Date Application Returned:	NA
(Note: Only as a last resort & only after repeated attem	pts by the Division to obtain
the necessary information to process the application)	