



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

June 6, 2002

Lori Wrotenbery

Director

Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attention: Cy Cowan

Re: *Division Administrative Order NSL-4684-A*

Dear Mr. Cowan:

I am writing this in conjunction with Division Administrative Order NSL-4684-A, dated June 4, 2002 (see copy attached). From the information provided with your application dated May 13, 2002 and the information previously submitted in association with Division Administrative Order NSL-4684, dated January 7, 2002, your request was processed; however, it was limited to the Eagle Creek-Strawn Gas Pool.

The information contained in your May 13, 2002 application letter appears to be in direct conflict with the Division's well file and production records on Yates Petroleum Corporation's Federal "LDY" Deep Com. Well No. 10. There are now certain questions that need to be addressed: i.e., Is the Strawn interval a resent recompletion? Was this well ever completed in the Atoka/Morrow interval? Was the Atoka/Morrow interval ever productive? To which interval should this well's production from July, 2001 to date be attributed? Which well records and forms are correct/incorrect?

These are just a few issues that need to be resolved. I have forwarded all pertinent records to Mr. Tim Gum, supervisor of the Division's district office in Artesia for review and handling, and, if necessary, corrective action. I urge you to contact Mr. Gum as soon as possible and make arrangements to review this matter with him.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Tim Gum, Supervisor – NMOCD, Artesia
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe
Randy Patterson, Yates Petroleum Corporation – Artesia
David Brooks, Legal Counsel – NMOCD, Santa Fe
File: NSL-4684
NSL-4684-A



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June 4, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
Attention: Cy Cowan

Telefax No. (505) 748-4572

Administrative Order NSL-4684-A

Dear Mr. Cowan:

Reference is made to the following: (i) your application submitted by telefax to the New Mexico Oil Conservation Division ("Division") on May 13, 2002; and (ii) the Division's records in Artesia and Santa Fe, including the file on Division Administrative Order NSL-4684, dated January 7, 2002: all concerning Yates's request to amend the current order of the Division by expanding the vertical limits.

This application (*assigned NMOC Reference No. pKRV0-213540949*) has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By Administrative Order NSL-4684, the Division approved Yates Petroleum Corporation's ("Yates") Federal "LDY" Deep Com. Well No. 10 (API No. 30-015-30974), at an unorthodox gas well location 2100 feet from the North line and 1980 feet from the West line (Unit F) of Section 27, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, within a standard 320-acre lay-down gas spacing and proration unit comprising the N/2 of Section 27 in the Undesignated East Eagle Creek Atoka-Morrow Gas Pool.

It is our understanding that Yates has completed this well in the Eagle Creek-Strawn Gas Pool (76320).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Strawn gas well location within the 320-acre unit comprising the N/2 of Section 27 for Yates's Federal "LDY" Deep Com. Well No. 10 is hereby approved.

Further, Division Administrative Order NSL-4684 dated January 7, 2002 shall remain in full force and effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4684