CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

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March 14, 2000

HAND-DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503 12315

D A 12 - - 42 - ...

Application of Yates Petroleum Corporation for an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the docket for the April 6, 2000 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Dave Pearson

Yates Petroleum Corporation

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AMENDMENT OF THE DEPTH BRACKET ALLOWABLE FOR THE NORTHWEST SHOE BAR-STRAWN POOL, LEA COUNTY, NEW MEXICO.

CASE NO. /23/75

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order increasing the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, and in support of this application states:

- 1. Order No. R-6876, dated January 22, 1982, contracted the vertical limits of the North Shoe Bar-Pennsylvanian Pool (established by Division Order No. R-6876 dated January 22, 1982) to the Strawn formation and redesignated the pool the Northwest Shoe Bar-Strawn Pool. Pursuant to the provisions of Oil Conservation Division Rule 505 the pool has been assigned a depth bracket allowable of 320 barrels of oil per day for each 40-acre unit based on a pool depth range of 10,000 to 10,999 feet.
- 2. This pool was extended by Order No. R-8356, dated January 22, 1982, and currently includes the following acreage in Lea County, New Mexico:

Township 16 South, Range 35 East, N.M.P.M.

Section 15: N/2, SE/4

2. Wells recently drilled in this pool are completed in the pool depth range from 11,000 to 11,999 feet. These wells and their perforated intervals include:

Yates Petroleum Corporation Big Flat ASN Well No. 2 330' FSL & 330' FEL Section 10, Township 16 South, Range 35 East Perforated interval: 11,304-11,321feet

Yates Petroleum Corporation C. O. Jones Well No. 2 an open hole horizontal completion Section 11, Township 16 South, Range 35 East Casing shoe set at 11,320 and end of horizontal lateral at 11,385

Nearburg Producing Company, L.L.C. Eidson Well No 1 1980' FN & WL Section 15, Township 16 South, Range 35 East perforated interval: 10,987-11,043 feet

TMBR Sharp Carlisle "15" Well No. 1 1980' FSL & 1650' FEL Section 15, Township 16 South, Range 35 East perforated interval: 10,952-10, 972 feet, 10,978-11,012 feet

- 3. Additional wells have recently been drilled in the pool, and on tracts immediately offsetting the pool boundaries. These wells have encountered the Strawn pay below 11,000 feet. These wells can produce at rates in excess of the authorized depth bracket allowable.
- 4. Yates Petroleum Corporation seeks the amendment of the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool to conform to the depth of the wells producing from this reservoir between 11,000 feet and 11,999 feet of 365 barrels of oil per day for each 40-acre unit.

5. Approval of this application will be in the best interest of conservation, the

prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2000, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM CORPORATION

CASE <u>12375</u>:

Application of Yates Petroleum Corporation for amendment of the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant, in the above-styled cause seeks an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool located in portions of Section 15 of Township 16 South, Range 35 East, NMPM, to 365 barrels of oil per day for each 40-acre unit to conform the depth bracket allowable to the depth from which wells in this pool are producing. Said pool is located approximately 5.5 miles west of Lovington, New Mexico.

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

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BRADFORD C. BERGE
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March 14, 2000

12375

HAND-DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503 30 :1 NA 11 SW 03

Re: Application of Yates Petroleum Corporation for an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, Lea County, New Mexico

Dear Ms. Wrotenbery:

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2 in the

William F. Carr

Enclosures

cc:

Mr. Dave Pearson

Yates Petroleum Corporation

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AMENDMENT OF THE DEPTH BRACKET ALLOWABLE FOR THE NORTHWEST SHOE BAR-STRAWN POOL, LEA COUNTY, NEW MEXICO.

CASE NO. 12375

APPLICATION

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WILLIAM F. CARR

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