STATE OF NEW MEXICO

Case 10327



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

March 18, 1991

Ernest L. Carroll P.O. Drawer 239 Artesia, NM 88211-0239

RE: Application of Yates Petroleum Corporation for the creation of a new pool and for special pool rules in Eddy County, New Mexico.

Dear Mr. Carroll:

The information submitted in your application dated March 4, 1991 is insufficient for me to prepare an advertisement for your case on the April 18, 1991 docket. Please signify rather this pool is to be an oil or gas pool, indicate its horizontal limits, and please be more specific as to the contents of the proposed pool rules (i.e. - spacing, designated well locations, GOR, etc.).

Should you have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/ag

cc:

Oil Conservation Division - Artesia Yates Petroleum Corporation - Artesia 101.9EH 121

LAW OFFICES

MLOSEE, CARSON, HAAS & CARROLL, P. A.

A. J. LOSEE

ARTESIA, NEW MEXICO 88211-0239

(505) 746-3505 TELECOPY (505) 746-6316

TELEPHONE

DEAN B. CROSS MARY LYNN BOGLE *

*LICENSED IN ARIZONA ONLY

March 4, 1991

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for a pool designation underlying Section 16, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and for special field rules for its Medano "VA" State No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner, after allowing twenty days for notice, and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.

ELC: bjk Enclosures

cc w/encl: Santa Fe Energy Company

Bass Enterprises Production Co.

Devon Energy Corp. Marathon Oil Company Pogo Producing Company Kaiser-Francis Oil Company

Pacific Enterprises Oil Co. (U.S.A.)

Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF	:		
YATES PETROLEUM CORPORATION FOR THE	:	CASE NO.	
CREATION OF A NEW POOL AND FOR	:		
SPECIAL POOL RULES IN EDDY COUNTY,	:		
NEW MEXICO	:		
	:		

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys, and in support hereof respectfully states:

- 1. Applicant is the operator of the Delaware Formation at a location in Unit K, Section 16, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, upon which it has drilled its Medano "VA" State No. 1 Well. Said well is located 1947 feet from the South line and 1986 feet from the West line of Section 16.
- 2. Applicant has completed said well in the Delaware Formation with perforations as follows: 4218-26, 4229-37, 7825-28, 7838-44, and 7846-56. This well is a discovery well, and there has been no pool designation for this area as of yet.
- 3. Applicant seeks to produce its Medano "VA" State No. 1 Well from all perforations in the Delaware Formation. Production of this well from all perforations is feasible and in accordance with good conservation practices and will otherwise prevent waste and protect correlative rights.

Applicant seeks a pool designation for the Delaware Formation underlying Section 16, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and the creation of special pool rules allowing for the setting of the allowable for wells in said pool based upon the lowest perforation contained in the well.

WHEREFORE, Applicant prays:

- That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- That upon hearing the Division enter its order designating the Delaware Formation underlying Section 16, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, as a pool and the creation of special pool rules for that formation wherein the allowables are based upon the lowest perforation in said wells.
- C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

LOSEE, CARSON, HAAS & CARROLL, P.A. P. O. Drawer 239

Artesia, New Mexico 88210

(505/746-3505)

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF	:		
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4. Applicant seeks a pool designation for the Delaware Formation underlying Section 16, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and the creation of special pool rules allowing for the setting of the allowable for wells in said pool based upon the lowest perforation contained in the well.

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YATES PETROLEUM CORPORATION

By: Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

(505/746-3505)

Attorneys for Applicant

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