LAW OFFICES

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

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE*

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELECOPY (505) 746-6316

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*LICENSED IN ARIZONA ONLY

March 29, 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 the Amended Application of Yates Petroleum Corporation for an oil pool designation underlying Section 16, S/2 of Section 9, and the N/2 of Section 21, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and for special field rules for its Medaño "VA" State No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on April 20, 1991, and that we be furnished with a copy of the docket for said hearing.

Yours truly,

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

Carwell

Ernest L. Carroll

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

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BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

:

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR THE CREATION OF A NEW OIL POOL AND FOR SPECIAL POOL RULES IN EDDY COUNTY, NEW MEXICO

CASE NO. _______

AMENDED 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.

- 4. Applicant seeks 4 an oil pool designation for the Delaware Formation underlying Section 16, S/2 of Section 9, and the N/2 of Section 21, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and the creation of the following special rules:
 - (a) Well Spacing pursuant to statewide Rule 104;
 - (b) Gas Oil Ratio 2,000:1 as per statewide Rule 506(a) allowable;
 - (c) <u>Depth Bracket Allowable</u> per statewide Rule 505(a) except that the allowable be based on the deepest Delaware sand perforation rather than the shallowest perforation as called for in said statewide rule.

WHEREFORE, Applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order designating the Delaware Formation underlying Section 16, S/2 of Section 9, and the N/2 of Section 21, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, as an oil pool and the adoption of the following special rules for that formation:
 - (a) Well Spacing pursuant to statewide Rule 104;
 - (b) <u>Gas Oil Ratio</u> 2,000:1 as per statewide Rule 506(a) allowable.

- (c) <u>Depth Bracket Allowable</u> per statewide Rule 505(a) except that the allowable be based on the deepest Delaware sand perforation rather than the shallowest perforation as called for in said statewide rule.
- C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: (Carroll 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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BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR THE CREATION OF A NEW OIL POOL AND FOR SPECIAL POOL RULES IN EDDY COUNTY, NEW MEXICO

case no. 163.7

AMENDED 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.
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YATES PETROLEUM CORPORATION

By: [molf | Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A. P. O. Drawer 239 Artesia, New Mexico 88210

Artesia, New Mexico 88210 (505/746-3505)

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

DIE COLLEGE TO DEVELOON

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR THE CREATION OF A NEW OIL POOL AND FOR SPECIAL POOL RULES IN EDDY COUNTY, NEW MEXICO

CASE NO. $\frac{\cancel{(33.7)}}{\cancel{(33.7)}}$

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YATES PETROLEUM CORPORATION

By: Carroll Carroll

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Attorneys for Applicant