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

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

November 9, 1992

HAND-DELIVERED

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

10628

Re: In the Matter of the Application of Yates Petroleum Corporation for Compulsory Pooling and an Unorthodox Gas Well Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the December 3, 1992 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc w/enclosure: Mr. Robert Bullock

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 10428

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in Section 27, Township 21 South, Range 24 East, N.M.P.M., Eddy County, New Mexico in all formations developed on 640-acre spacing (Indian Basin-Upper Pennsylvanian Gas Pool) and in all formations developed on 320-acre spacing in the S/2 of Section 27 to be dedicated to a well at an unorthodox gas well location and in support of its application, states:

- 1. Applicant is an owner of working interest in and under Section 27, Township 21 South, Range 24 East, N.M.P.M., Eddy County, New Mexico and applicant has the right to drill thereon.
- 2. Applicant proposes to reenter an existing wellbore located at an unorthodox location 1140 feet from the South line and 1350 feet from the West line of Section 27 and drill to a depth of approximately 10,350 feet to test any and all formations from the surface to the base of the Morrow formation, Undesignated Morrow Gas Pool.
 - 3. Applicant has sought and been unable to obtain either voluntary agreement

for pooling or farmout from Santa Fe Energy Operating Partners, L.P., the owner of the

remaining working interest in Section 27.

4. Said pooling of interests and approval of an unorthodox well location will

avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil

and gas underlying the subject lands, the mineral interests should be pooled, the proposed

unorthodox location approved, and Applicant should be designated the operator of the

well.

WHEREFORE, Applicant prays that this application be set for hearing before an

Examiner of the Oil Conservation Division on December 3, 1992 and, after notice and

hearing as required by law, the Division enter its order approving the proposed

unorthodox location, pooling the lands, including provisions for Applicant to recover its

costs of drilling, equipping and completing the well, its costs of supervision while drilling

and after completion, including overhead charges, and imposing a risk factor for the risk

assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

By: \

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES
PETROLEUM CORPORATION

APPLICATION,

COUNTY Eddy POOL Indian Basin - Upper Pennsylvanian Gas
TOWNSHIP 21 South RANGE 24 East NMPM 10 -11 -12 - 15 --13--17 -· 16 -- 18 --19 28 30 - 31-32 -33 -34-35-- 36 -Ext: All Secs. 19, 2021, 28 thru 32/2-2726, 7-1-64)-All Sec. 33(2-2911, 6-1-65)

COUNTY Eddy POOL Indian Basin - Morrow Gas

TOWNSHIP 21 South RANGE 24 East NMPM 11 10 -17 -15 -13--18--16 20 -21 22 23 24 26 29 28 - 27 · 25 30 -34-- 36 31-· 32 · - 33 --35-

Ext: All Sec 19 (R-2746,7-1-64)-All Sec. 30 \$ 31 (R-2911, 6-1-65)
All Secs, 4,5,8,9,16,17, \$20/R-3758.6-1-69)
Deletion: All Secs 445 (R-5162, 3-1-76)
Deletion: 1/2 Sec 9 (R-5891, 1-1-79) Deletion: All Sec 8 (R-5885, 12-31-78)
Ex+; All Sec. 32 (R-8391, 1-22-87) EXT: All Sec 21 (R-8969,8-1-89)

November 16, 1992

Note to Tile: Care 10628

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

This well in the subject of law 10628

and in under protect of South Fe

Energy W/ law 10629. This actua request shall

be undended at this time. If the subject

aree are dismissed, it officers that this

filling can be solon inthorized.



105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

'S2 NJ

Ear 16623

HI CONSE!

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

October 29, 1992

Mr. William LeMay State of New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

RE: Non-Standard Location

Pan Am Pardue "ALZ" Fed. Com. #1

1040' FSL & 1350' FWL Section 27-T21S-R24E

S/2

Eddy County, New Mexico

Dear Mr. LeMay:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOCD rule 104F.

Our reason for requesting this non-standard location is that it is a re-entry of an abandoned well originally drilled by Pan American Petroleum Corporation in 1966 to a TD of 8030, plugged and abandoned in 1966. Yates wishes to re-enter this well-bore, deepen and test the morrow and intermediate formations. It is more economical to re-enter and test this well-bore and it will benefit the surrounding area.

Enclosed, please find a copy of the lease map showing the offsetting operator, a topographic map of the area, a survey plat, and copies of the certification slips showing the offset operators have been notified.

If you have any questions concerning this matter, please call me at (505) 748-1471. Thank you.

Very truly yours,

/ @ ^ \)\

YATES PETROLEUM CORPORATION

Ken Beardemphl Landman

KB:dke enclosure(s)



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471
October 29, 1992

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

Santa Fe Energy 500 West Illinois Midland, TX 79701

Re: Non-Standard Location

Pan Am Pardue "ALZ" Federal Com #1 (Re-entry)

1140' FSL and 1350' FWL Section 27-T21S-R24E Eddy County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico 88210, to the attention of Ken Beardemphl, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed unorthadox location listed above. A xerox copy of a letter to Mr. William LeMay of New Mexico Oil Conservation Division in Santa Fe, New Mexico is attached to tell you of our intentions.

We respectfully ask for your expeditious return of this waiver. Thank you for your consideration.

WAIVER

As an offset operator, SANTA FE ENERGY, has no objections to the unorthodox location for the well listed above.

By:	 	 		
Title				
Date	 	 	<u> </u>	

()	Y 1141411 114	erage Provided ernational Mail	
-	Correllin	\$	
	the collective fee		
1991	Peturn Receipt Showing		
, June	Return Receipt Showing to Whom, Cate, and Addresse's Address FCTAL Postage & FcTA.	\$	
ps Form 3800, June 1991		·92 relux #1	
F 0	dat line over top of e	envelope to the laddress.	
	CERTIFIED DE	ED	West Fig. 1
	: MAIL	*	行 · · · · · · · · · · · · · · · · · · ·

on the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back it does not permit. Write "Return Receipt Requested" on the mailpiece below the article The Return Receipt will show to whom the article was delivered and delivered.	f space cle number.	I also wish to receive the following services (for an extra fee): 1.	eceipt Service.
eted	3. Article Addressed to:		cle Number 116 012 810	urn R
SS completed	Santa de Energy 500 West Illinois			using Retu
ADDRESS	Midland, TK M970R		ess Mail Return Receipt for Merchandise of Delivery	ou for us
TURN	5. Signature (Addressee)	and	essee's Address (Only if requested	ank y
our RE	6. Signature (Agent)	ran	ed Con+1	F
ls y	PS Form 3811 , December 1991 &U.S. GPO: 1992-323	-402 D(OMESTIC RETURN RECEIPT	:







105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471
October 29, 1992

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

Marathon Oil Company P.O. Box 552 Midland, TX 79702

Re: Non-Standard Location

Pan Am Pardue "ALZ" Federal Com #1 (Re-entry)

1140' FSL and 1350' FWL Section 27-T21S-R24E Eddy County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico 88210, to the attention of Ken Beardemphl, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed unorthadox location listed above. A xerox copy of a letter to Mr. William LeMay of New Mexico Oil Conservation Division in Santa Fe, New Mexico is attached to tell you of our intentions.

We respectfully ask for your expeditious return of this waiver. Thank you for your consideration.

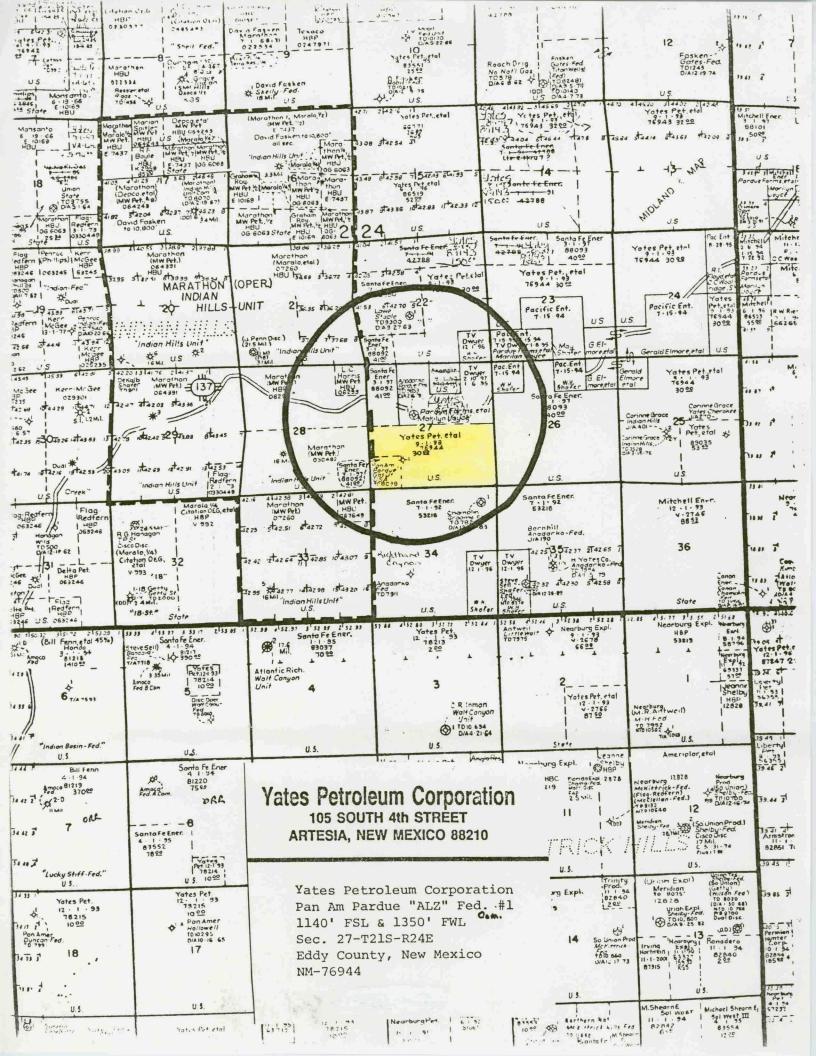
WAIVER

As an offset operator, MARATHON OIL COMPANY, has no objections to the unorthodox location for the well listed above.

By:	 -		 	
Title				<u>. </u>
 Date			 	

	্ৰিট্টি Joinot use for II See Reverse)	lail overage Provided international Maii
	Marathan	
	P.O. Bor 5	- 2
	Midland,	\$ 19702
	* - :	
	er e e e e e e e e	
	нь это продъемету пев	
991	1. Commission Showing Commission & Date Delivered	
une 1	Harder He Hipt Showing to Whom, Date and Addressee's Andress	
ر (٥٥	FOTAL Postage & Files	\$
PS Form 380	CEDTIE	-92 clu
Fol	lat line over top of e right of the return	nvelope to the address
	CERTIFI	ED.
	6 JJP 075	911
	MAIL	

ADDRESS completed on the reverse side	3. Article Addressed to: Ymarathon Oil Co. P.D. Boy 552 Midland, TV 79702	f space cle number. nd the date 4a. Arti P 1 4b. Ser Regis Expre	Consult postmaster for fee. cle Number 16 012 811 vice Type stered	ou for using Return Receipt Service.
Z	5. Signature (Addressee)	and 1	essee's Address (Only if requested fee is paid)	Ę
F R	6. Signature (Agent)	Han (am Pardu Jed. #1	두
e vo	PS Form 3811 , December 1991 &U.S. GPO: 1992—323	-402 D(OMESTIC RETURN RECEIPT	



Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

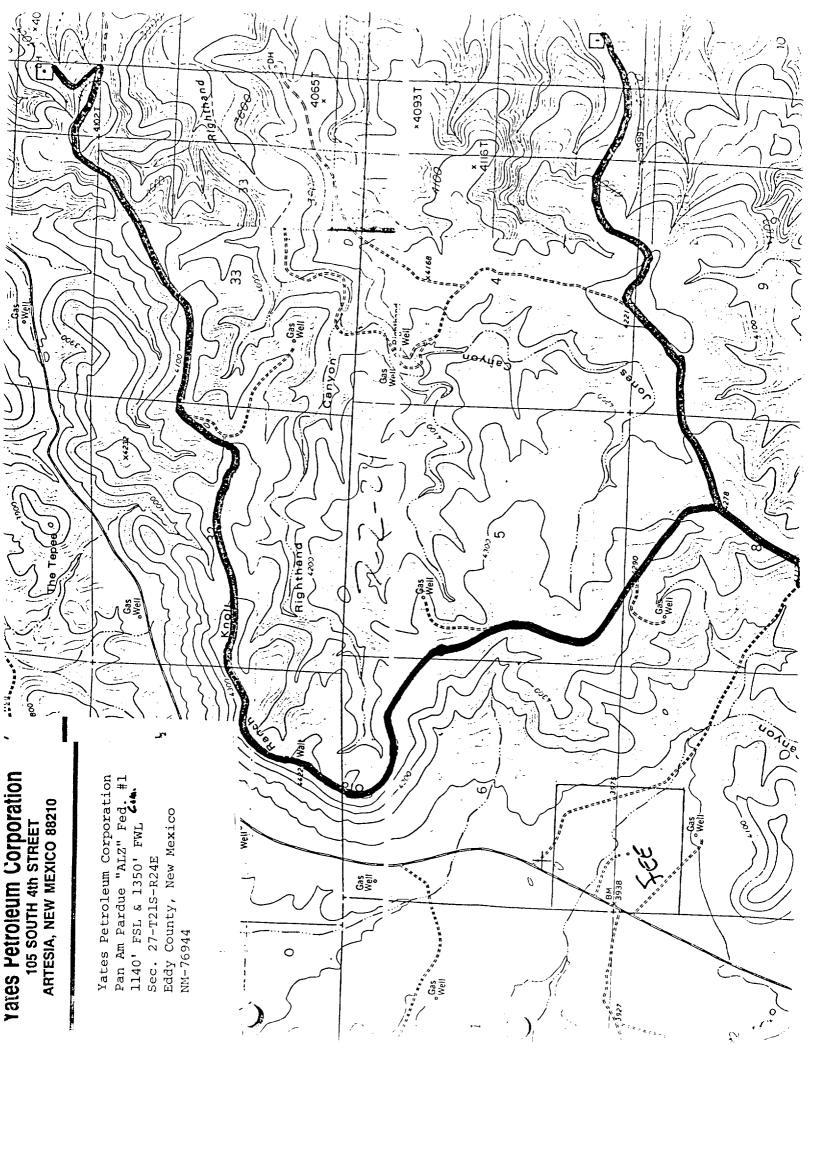
Operator				Lease				Well No.
YATE	S PETROLEUM	CORPORATIO	N	PAN A	1 PARDUE	"ALZ" FEI	COM	1
Unit Letter N	Section 27	Township 21	SOUTH	Range 24 1	EAST	NMPM		DDY
Actual Footage Lo	cation of Well:			105			-	TOOM
1140 Ground level Elev.	feet from the	SOUTH cing Formation	line and	1350 Pool) 	feet from	the W	VEST line Dedicated Acreage:
4060'	. Froduc	_			t Morrow			220
	ne the acreage dedica	Morrow	ell by colored pen	<u> </u>		1 helow		320 Acres
1. Outsi	ne nie nerenge deme	ace to ale subject we	on by boloice pen	on or manage in	arks on the pie	i ociow.		
2. If mo	ore than one lease is o	dedicated to the well	, outline each and	identify the own	ership thereof	(both as to worki	ing interest and	royalty).
	ore than one lease of cation, force-pooling, Yes	etc.?	s dedicated to the			wners been conso	lidated by com	munitization,
If answe	er is "no" list the own					se reverse side of	ſ	
	m if neccessary. wable will be assigne	d to the well until of	l interacts have he	nen consolidated	Ohy communit	ization unitization	n formed monlin	or otherwise)
	a non-standard unit,					izauon, umuzauo	n, rorear-poor	ig, or otherwise)
							I hereby contained here best of my know Signature Printed Name Ken Beard Position Landman Company	troleum Corporation
1 133 NM- 8809	7		\/m-	76944		And the state of the state of	I hereby certion this plat of actual survey, supervison, as correct to the belief. Date Surveyed	o Original Plat eal of Eurveyor
0 330 660	900 1320 166	50 1980 2310 2	2640 20	00 1500	1000	500 0		

Them (1-12). Supervedes C-128

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section XXXXX PARDUE GAS UNIT - USA PAN AMERICAN PETROLEUM CORP. Francisco 1 mil Letter County 1 carego 24 EAST 21 SOUTH 27 EDDY 7 1231 10 1230 (2) 1140 WEST SOUTH and towel free Indian Basin-Upper Penn 640 Cisco Canyon 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). RECEIVED.

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? OCT 2 1 1985 Communitization If answer is "yes," type of consolidation _ If answer is "no," list the owners and tract descriptions which have actually been consolidated. The reverse side of this form if necessary.). No allowable will be assigned to the well untit 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 Commis-Sion. CERTIFICATION I hereby certify that the information of tained herein is true and complete to the best of my knowledge and telief Mane Original Signed by: Y. E. STALEY I Chitta Area Superintendent ் சர் நடி Pan American Petroleum Corp. 8/13/65 I hereby certify and the well location under my supervision, and that the sume is true and correct to the best of my knowledge and belief. Date Surveyed JUNE 20, 1965 676





CHAIRMAN OF THE BOARD JOHN A. YATES

PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON

ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

November 4, 1992

Mr. William LeMay State of New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe. New Mexico 87504

> Non-Standard Location Re:

> > Pan Am Pardue "ALZ" Federal Com #1 (Re-entry)

1140' FSL and 1350' FWL Section 27 - T21S-R24E

S/2

Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed please find a copy of a letter to you dated October 29, 1992 regarding the above captioned well. I am also enclosing a copy of a letter notifying an offset operator that was inadvertently omitted with the earlier letter. I am sorry for any inconvenience this may have caused you.

Thank you.

Sincerely,

YATES PETROLEUM CORPORATION

" Ma 411 Rome

Tina M. Romo Land Secretary

/tmr

Enclosures

MARTIN YATES, III FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

JOHN A YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY

TREASURER

S P YATES CHAIRMAN OF THE BOARD

October 29, 1992

Mr. William LeMay State of New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

> RE: Non-Standard Location

> > Pan Am Pardue "ALZ" Fed. Com. #1

1040' FSL & 1350' FWL Section 27-T21S-R24E

S/2

Eddy County, New Mexico

Dear Mr. LeMay:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOCD rule 104F.

Our reason for requesting this non-standard location is that it is a re-entry of an abandoned well originally drilled by Pan American Petroleum Corporation in 1966 to a TD of 8030, plugged and abandoned in 1966. Yates wishes to re-enter this well-bore, deepen and test the morrow and intermediate formations. It is more economical to re-enter and test this well-bore and it will benefit the surrounding area.

Enclosed, please find a copy of the lease map showing the offsetting operator, a topographic map of the area, a survey plat, and copies of the certification slips showing the offset operators have been notified.

If you have any questions concerning this matter, please call me at (505) 748-1471. Thank you,

Very truly yours,

YATES PETROLEUM CORPORATION

Ken Beardemphl

Landman

KB:dke enclosure(s)



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 TELEPHONE (505) 748-1471

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

November 4, 1992

MW Petroleum Corporation 200 E. Randolph Drive Chicago, Illinois 60601

Re: Non-Standard Location

Pan Am Pardue "ALZ" Federal Com #1 (Re-entry)

1140' FSL and 1350' FWL Section 27-T21S-R24E Eddy County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico 88210, to the attention of Ken Beardemphl, and one copy to Mr. William LeMay, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87504, if you have no objections to the proposed unorthodox location listed above. A xerox copy of a letter to Mr. William LeMay of New Mexico Oil Conservation Division in Santa Fe, New Mexico is attached to tell you of our intentions.

We respectfully ask for your expeditious return of this waiver. Thank you for your consideration.

WAIVER

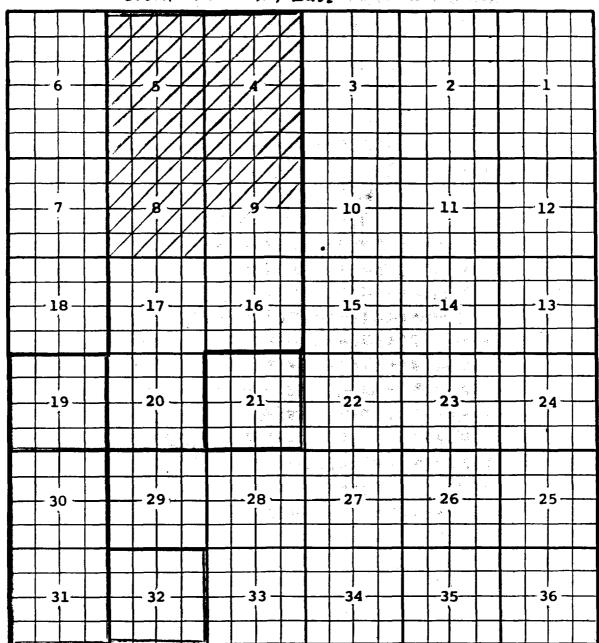
As an offset operator, MW PETROLEUM CORPORATION, has no objections to the unorthodox location for the well listed above.

Ву:		 	
Title		 	
Date	·	 	

	Certified M No Insurance Co	lail Jerage Provided	The state of the s
	(See Reverse) Section (See Reverse) Section (De Locke) 200 E. Rund Constitute and AP Coar Yelle Postore	m. Cop	Tie out
	Postoge School	1000 4000 4000 40000 400000 400000 400000 400000 400000 4000000	/
-	Special Deavery Fee Restricted Deavery Fee Return Receipt Showing		
, June 199	Recent Recent Showing to Whom & Date Delivered Return Recent Showing to Whom, Date, and Addressee's Address TOTAL Postage & Fees	\$	
PS Form 3800, June 199	Postmark or Date 11- H-92 Fran am Per	<u> </u>	
Y New York Committee	at line over top of er right of the return		<u> </u>
_	CERTIFIE	D	iotal.
	P 116 013	005	
	e IVIAIL		

DDRESS completed on the reverse side?	SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that return this card to you. • Attach this form to the front of the mailpiece, or on the back it does not permit. • Write "Return Receipt Requested" on the mailpiece below the article the Return Receipt will show to whom the article was delivered and delivered. 3. Article Addressed to: Mu Petrolum Corp. 200 & Randolph Druk Chicago, Jilmois (p.060)	f space cle number. nd the date 4a. Arti 4b. Ser Regis Certi Expre	Consult postmaster for fee. icle Number /// 0/3 025 vice Type stered Insured	I for using Return Receipt Service.
s your RETURN	5. Signature (Addressee) 6. Signature (Agent) PS Form 3811, December 1991 *U.S. GPO: 1992—323	Pan	ressee's Address (Only if requested fee is paid) Am fardue "ALZ" Jecl. Com #1 DMESTIC RETURN RECEIPT	Than





Ext: All Sec. 19 (R-2726, 7-1-64)-All Sec. 30\$31 (R-2911, 6-1-65) - All Secs. 4,5, 8, 9, 16, 17, \$20(R-3758 6-1-69) Deletion: All Secs 445 (R-5162, 3-1-76) Deletion: 1/2 Sec 9 (R-5891, 1-1-79) Deletion: All Sec 8 (R-5885, 12-31-78) Ext; All Sec. 32 (R-8391, 1-22-87) EXT: All Sec 21 (R-8969,8-1-89)

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

September 21, 1965

Pan American Petroleum Corporation Post Office Box 68 Hobbs, New Mexico

Attention: Mr. V. R. Staley

Administrative Order MSL-360

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your Pardue Gas Unit - USA Well No. 1 to be located 1140 feet from the South line and 1350 feet from the West line of Section 27, Township 21 South, Range 24 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

By authority granted me under the provisions of Order No. R-2440, the above-described unorthodox well location is hereby approved.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/JMD/esr

cc: Gil Conservation Commission - Artesia Oil & Gas Engineering Committee - Hobbs U, S. Geological Survey - Roswell