

LAW OFFICES

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JOEL M. CARSON
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MARY LYNN BOGLE

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

TELEPHONE
(505) 748-3505
TELECOPY
(505) 748-6318

December 28, 1993

VIA FACSIMILE AND FIRST CLASS MAIL

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

Re: In the Matter of the Application of Yates
Petroleum Corporation for Pool Creation and
the Promulgation of Special Pool Rules, Eddy
County, New Mexico

Dear Mr. LeMay:

Enclosed please find for filing in the above-referenced case the
Application of Yates Petroleum Corporation for Pool Creation and
Special Pool Rules, in duplicate. We request that this matter be
heard before an Examiner on January 20, 1993, and that we be
provided with a copy of the docket.

Please return the copy to me, endorsed, in the envelope provided.
Thank you very much.

Very truly yours,

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



A. J. Losee

AJL:kth
Enclosures

xc w/encl: Ms. Mecca Mauritsen

10898

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 POOL
CREATION, AND THE PROMULGATION OF
SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO

CASE NO. 10898

APPLICATION

YATES PETROLEUM CORPORATION, through undersigned attorneys, makes application to the Oil Conservation Division for the creation of a new pool in the Wolfcamp formation, and the promulgation of Special Pool Rules and Regulations for the pool including 160-acre spacing, and a regular depth bracket allowable limit of 347 barrels of oil per day, and in support hereof, states:

1. Yates Petroleum Corporation has recompleted its Scout E. H. Federal #5 in Unit F of Section 34, Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This well produces from the Wolfcamp formation through perforations between 5655 and 5678 feet on the compensated Neutron formation density log dated July 12, 1981.

2. Yates proposes the creation of a new pool in the Wolfcamp formation. The proposed initial horizontal limits of the new pool are defined as follows:

Township 18 South, Range 25 East, N.M.P.M.

Section 34: NW/4

3. Yates requests that this pool be classified as an oil pool.

4. Yates also seeks the promulgation of Special Pool Rules and Regulations for this pool including:

- a. 160-acre spacing and proration units;
- b. special well location requirements providing for all wells to be located 660 feet from the outer boundary of a spacing or proration unit;
- c. a limit of no more than two wells on a spacing or proration unit; and
- d. a depth bracket allowable for each well on a 160-acre spacing or proration unit of 347 barrels of oil per day.

5. Yates also seeks adoption of procedures whereby unorthodox well locations and non-standard spacing units can be administratively approved after notice to affected offsetting owners.

6. Approval of this application will result in the efficient and effective development of the Wolfcamp formation in the area affected by this application and will otherwise 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 a duly appointed Examiner of the Oil Conservation Division on January 20, 1994, and after notice and hearing as required by law, the Division enter its order approving this application.

PROPOSED ADVERTISEMENT

Application of Yates Petroleum Corporation for the creation of an oil pool in the Wolfcamp formation and the Promulgation of Special Pool Rules. Application seeks the promulgation of special pool rules for the Wolfcamp Pool, including a provision for 160-acre spacing and proration units, and a limitation of no more than two wells on a spacing or proration unit. The horizontal limit of the pool is the NW/4 of Section 34, Township 18 South, Range 25 East, Eddy County, New Mexico, and is located approximately 5 miles west of Dayton.

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FAX TRANSMITTAL DATE: 12/28/93

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ERNEST L. CARROLL
JOEL M. CARSON
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December 28, 1993

Case 10898

VIA FACSIMILE AND FIRST CLASS MAIL

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

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Very truly yours,

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A. J. Losee

AJL:kth
Enclosures

xc w/encl: Ms. Mecca Mauritsen

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5. Yates also seeks adoption of procedures whereby unorthodox well locations and non-standard spacing units can be administratively approved after notice to affected offsetting owners.

6. Approval of this application will result in the efficient and effective development of the Wolfcamp formation in the area affected by this application and will otherwise 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 a duly appointed Examiner of the Oil Conservation Division on January 20, 1994, and after notice and hearing as required by law, the Division enter its order approving this application.

Respectfully submitted,

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

By:



A. J. Losee

Ernest L. Carroll

P. O. Drawer 239

Artesia, New Mexico 88211-0239

(505) 746-3505

Attorneys for YATES PETROLEUM CORPORATION

Case 10898

PROPOSED ADVERTISEMENT

Application of Yates Petroleum Corporation for the creation of an oil pool in the Wolfcamp formation and the Promulgation of Special Pool Rules. Application seeks the promulgation of special pool rules for the Wolfcamp Pool, including a provision for 160-acre spacing and proration units, and a limitation of no more than two wells on a spacing or proration unit. The horizontal limit of the pool is the NW/4 of Section 34, Township 18 South, Range 25 East, Eddy County, New Mexico, and is located approximately 5 miles west of Dayton.

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 POOL
CREATION, AND THE PROMULGATION OF
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NEW MEXICO

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Respectfully submitted,

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

By: _____

A. J. Losee

Ernest L. Carroll

P. O. Drawer 239

Artesia, New Mexico 88211-0239

(505) 746-3505

Attorneys for YATES PETROLEUM CORPORATION

Case 10898

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OIL CONSERVATION DIVISION

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MARY LYNN BOGLE

January 25, 1994

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

Re: Case No. 10898: Application of Yates
Petroleum Corporation for Pool Creation and
the Promulgation of Special Pool Rules

Dear Mr. LeMay:

I am conveying herewith the original Waiver of Sally Ellis, for filing, along with a copy of the Notice letter to Amax reflecting the return receipt card for inclusion with our Certificate of Compliance previously filed.

Very truly yours,

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



Ernest L. Carroll

ELC:kth

Encl.

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 POOL
CREATION, AND THE PROMULGATION OF
SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO

CASE NO. 10898

WAIVER

As a leasehold operator or unleased mineral owner, SALLY ELLIS has no objections to the creation of a new pool in the Wolfcamp formation, underlying the NW/4 of Section 34, Township 18 South, Range 25 East, N.M.P.M. and the promulgation of special pool rules for this pool.

Sally Ellis
Sally Ellis

DATED: 1/16/94

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

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

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TELEPHONE
(505) 746-3505

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(505) 746-6316

January 6, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Amax Oil & Gas, Inc.
P.O. Box 42806
Houston, TX 77042-0000

Re: Application of Yates Petroleum Corporation
for Pool Creation and the Promulgation of
Special Pool Rules, Eddy County, New Mexico;
NMOCD Case No. 10,898

Gentlemen:

This office represents Yates Petroleum Corporation. On December 28, 1993, the above-referenced Application was sent for filing by Yates Petroleum Corporation for an Order by the Oil Conservation Division for pool creation and special pool rules. A copy of that Application is enclosed for reference. This matter has been set for hearing on January 20, 1994. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. I would request that you notify us whether or not you will protest the proposed amendment referred to herein. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, and if you will return said waiver to us, we will file it in this case, therefore alleviating the necessity of your attendance at the hearing on the matter.

P 083 921 948

Very truly yours,

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



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Certified Mail**

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TOTAL Postage & Fees	\$
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3800, June 1991