

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

29 March 1989

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corp- CASE
oration for an unorthodox gas well 9627
location, Chaves County, New Mexico.

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

For Yates Petroleum
Corporation:

Chad Dickerson
Attorney at Law
DICKERSON, FISK & VANDIVER
Seventh & Mahone/Suite E
Artesia, New Mexico 88210

I N D E X

THERESA PADILLA

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LESLIE BENTZ

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1 MR. CATANACH: We'll call Case
2 9627. Application of Yates Petroleum Corporation for an
3 unorthodox gas well location, Chaves County, New Mexico.

4 Are there appearances in this
5 case?

6 MR. DICKERSON: Mr. Examiner,
7 I'm Chad Dickerson of Artesia, New Mexico, on behalf of
8 Yates Petroleum Corporation and I have one witness.

9 MR. CATANACH: Any other ap-
10 pearances in this case?

11 Will the witness please stand
12 and be sworn in?

13
14 (Witness sworn.)

15
16 THERESA PADILLA,
17 being called as a witness and being duly sworn upon her
18 oath, testified as follows, to-wit:

19
20 DIRECT EXAMINATION

21 BY MR. DICKERSON:

22 Q Ms. Padilla, will you state your full
23 name, your occupation and where you reside, please?

24 A My name is Theresa Padilla. I'm an en-
25 gineer with Yates Petroleum out of Artesia.

1 Q You have not previously testified as a
2 petroleum engineer before this Division.

3 Will you briefly summarize your educa-
4 tional and work experience for Mr. Catanach?

5 A For the last eight or nine months I've
6 been with Yates Petroleum as an engineer in the Reservoir
7 Department.

8 Prior to that I attended school for six
9 years and received my degrees in petroleum engineering,
10 Bachelor of Science, and also geological engineering with
11 petroleum option, from New Mexico Tech in Socorro.

12 Prior to that I had worked with some oil
13 companies in Michigan because my first three years of edu-
14 cation was at Northwestern Michigan College in Traver City,
15 Michigan.

16 Q Okay, and in connection with your em-
17 ployment and related to Yates Case 9267, have you examined
18 the available geologic and engineering data and made a
19 study of the circumstances surrounding these applications?

20 A Yes, I did.

21 MR. DICKERSON: Tender Ms.
22 Padilla as a petroleum engineer, Mr. Catanach.

23 MR. CATANACH: She is so qual-
24 ified.

25 Q Ms. Padilla, will you refer to what we

1 have submitted as Yates Exhibit Number One and orient the
2 Examiner with respect to the well location and summarize
3 the purpose of Yates in this case?

4 A The well location is for the Yates
5 Lightcap "YR" No. 1, which is located 330 feet from the
6 north and east lines of Section 25, Township 7 South, Range
7 29 East.

8 The purpose of this unorthodox gas loca-
9 tion is that it is in an unorthodox location. It was ori-
10 ginally drilled to the San Andres anticipating oil. As a
11 result it was -- it had dedicated 40 acres for that inten-
12 tion; however, after Yates had drilled the well, we found
13 gas.

14 Q And that was a standard location for a
15 40-acre San Andres oil well?

16 A That's correct.

17 Q All right. Looking at your land plat
18 submitted as Exhibit Number One, there are three other
19 well symbols, it appears, in that northeast quarter of Sec-
20 tion 25.

21 A Yes.

22 Q Briefly tell us the history of those
23 wells and what their current status is.

24 A Okay. The Magnolia Lightcap, which is
25 located in the northwest quarter of the northeast quarter

1 is an abandoned well and also the Franklin Lightcap is an
2 abandoned well, which is just south of there.

3 Yates also drilled the Lightcap "YR"
4 No. 3, which is located just southeast.

5 Q Just outside the circle surrounding this
6 subject well application?

7 A That is correct, and the well was -- is
8 producing out of the Abo formation at the present time.

9 Q Okay, and from examination of the land
10 map, it is entirely offset by Yates Petroleum Corporation
11 acreage with the exception of Stevens Oil Company to the
12 east of the location and unleased Federal acreage in the
13 south half of Section 19, is it not?

14 A That's correct.

15 Q All right. Refer to the instruments
16 which we have attached together and submitted as Exhibit
17 Number Two, and summarize what each of those shows for the
18 Examiner.

19 A The first page of Exhibit Two would be
20 the application to drill the Lightcap "YR" No. 1 and, as
21 you will note, we anticipated oil in the upper lefthand
22 section of this page.

23 Q That well was evidently drilled in late
24 1983, was it not?

25 A That is correct. It was completed in

1 1984.

2 The second page of Exhibit Two is our
3 well location and acreage dedication plat, receiving
4 40-acre dedication for this well, and that would be the
5 northeast quarter of the northeast quarter of Section 25.

6 Q And what does that completion report
7 reflect as far as the initial potential test for this sub-
8 ject well?

9 A The initial potential is 330 MCF a day.

10 Q Do you know the current status of the
11 well?

12 A The well is still producing.

13 Q The alternative to granting an unortho-
14 dox location for this already drilled well, Ms. Padilla,
15 would be to plug and abandon the existing well and drill a
16 new well at a standard location. In your opinion as an
17 engineer would that be economically wasteful, given a well
18 of this capacity to produce, to abandon the already drilled
19 well and replace it with one at a standard location?

20 A Yes, it would.

21 Q In your opinion will the granting of
22 this application prevent that economic waste caused by the
23 drilling of unnecessary wells?

24 A Yes, it will.

25 MR. DICKERSON: Mr. Examiner,

1 Exhibit Number Three is merely the affidavit of mailing in
2 accordance with your Rule 1207 to the offsetting operators,
3 most of whom are in-house Yates parties and all the others.
4 Stevens Oil Company and the Bureau of Land Management.

5 And I have no further ques-
6 tions of Ms. Padilla in this case.

7
8 CROSS EXAMINATION

9 BY MR. CATANACH:

10 Q Ms. Padilla, this well was drilled in
11 1984. Has it been producing since then?

12 A No, it has not. I believe it was con-
13 nected in December of '88 or January of '88, this year, so
14 I might have two months production.

15 Q January of '89.

16 A '89, I'm sorry.

17 Q Do you know if the Division has in fact
18 created a pool for this well in this case, a gas pool in
19 the San Andres?

20 A To the best of my knowledge it's just
21 strictly a wildcat yet. I don't believe -- I have not seen
22 any (unclear) designating a pool.

23 MR. DICKERSON: Mr. Catanach,
24 I neglected to ask her one question that I needed to.

25

REDIRECT EXAMINATION

BY MR. DICKERSON:

Q The well that you indicated the -- shown on the map that is just slightly outside the circle surrounding the subject well, that well is currently producing from the Abo formation, is it not?

A That is correct.

Q And so the same subdivision, being the northeast quarter, is dedicated to that existing well --

A Yes, it is.

Q -- but for gas production from the Abo formation.

A Yes.

Q And the application in this case is limited to gas production from the San Andres formation.

A That is correct.

Q Even though the ownership and the title to both formations is the same?

A Yes, uh-huh.

RECROSS EXAMINATION

BY MR. CATANACH:

Q Ms. Padilla, are there any other San Andres wells in this area, that you know of?

A I believe there are some San Andres

1 Wells in this area; however, they have produced oil, and
2 this is why we -- we were surprised when we found gas.

3 Q But you know where -- where these wells
4 are in relation to your well?

5 A Not offhand I don't, no.

6 MR. DICKERSON: Mr. Examiner,
7 it's my understanding that the closest San Andres produc-
8 tion is off this map but back to the east. I do have the
9 geologist present who actually oversaw the drilling of this
10 well and she can answer your question, if you'd like. I've
11 not anticipated formally calling her, but she does know
12 that information.

13 MR. CATANACH: Do you know how
14 far east this might be?

15 I guess we'd better swear you
16 in.

17

18 (Ms. Bentz sworn.)

19

20 LESLIE BENTZ,
21 being called as a witness and being duly sworn upon her
22 oath, testified as follows, to-wit:

23

24 DIRECT EXAMINATION

25 BY MR. DICKERSON:

1 Q Will you state your name and occupation,
2 please?

3 A My name is Leslie Bentz. I'm employed
4 by Yates Petroleum as a petroleum geologist in Artesia, New
5 Mexico.

6 Q And in that capacity you have testified
7 on numerous occasions before this Division so your cre-
8 dentials are a matter of record, are they not?

9 A Yes, they are.

10 Q You heard Mr. Catanach's inquiry regard-
11 ing the location of the nearest San Andres production.
12 Will you state where that production is?

13 A It is approximately 3 miles to the
14 southeast.

15

16 CROSS EXAMINATION

17 BY MR. CATANACH:

18 Q Ms. Bentz, is that a -- do you know if
19 that is in the San Andres Oil Pool?

20 A Yes, it is.

21 Q Do you know the name of that pool?

22 A I believe it is the Cado (sic).

23 Q Cado San Andres?

24 A Uh-huh.

25

1 MR. CATANACH: Ms. Bentz, is
2 that a -- do you know if that is in the San Andres Oil
3 Pool?

4 A Yes, it is.

5 Q Do you know the name of that pool?

6 A I believe it is the Cado.

7 Q The Cado San Andres?

8 A Uh-huh.

9 Q Ms. Bentz, have you -- do you have an
10 opinion as to whether this is a new source of supply,
11 whether it is or is not connected to --

12 A I do not think it is connected.

13 Q Do you know of any dry holes in between
14 the two?

15 A There are numerous dry holes --

16 Q There are?

17 A -- between the two. There's all of
18 those numerous San Andres dry holes around this well.

19 If it's possible to confirm that that is
20 the Cado, after this is over I will call and check, and if
21 that's not the correct name I can --

22 Q I can verify that, Ms. Bentz. We have
23 the nomenclature in the --

24 A Okay, I just don't have any maps of that
25 particular -- the whole area --

1 Q That would be fine. All right.

2 MR. CATANACH: Mr. Dickerson,
3 I take it that you've not been in communication with our
4 District Office as far as --

5 MR. DICKERSON: No, I have
6 not. Yates has been in communication with it.

7 MR. CATANACH: Do you know if
8 the District Office anticipates creating the new pool?

9 MR. DICKERSON: I don't really
10 know. You can see, I don't know your office practices well
11 enough, Mr. Catanach. This is shown total aberration; it's
12 virtually surrounded by San Andres dry holes in the imme-
13 diate vicinity. It looks like this is most likely the ex-
14 tent of the pool if one needs to be created.

15 MR. CATANACH: Well, one needs
16 to be created, I would think.

17 Ms. Padilla, you said the Mag-
18 nolia and the Franklin were abandoned. Were those drilled
19 to the San Andres?

20 MS. PADILLA: They look like
21 they've been drilled a little bit deeper. I do not know
22 the specifics on these two wells. I do not have the in-
23 formation with me.

24 MR. DICKERSON: You can see,
25 Mr. Catanach from the map that those well were drilled to

1 in excess of 8000 feet, so it is apparent that they were
2 drilled for some substantially deeper horizon than this San
3 Andres production which Exhibit Two shows to occur at total
4 depth of the well, 3400 feet, and the actual production
5 from perforations from 3009 feet to 3245 feet.

6 MR. CATANACH: No further
7 questions. The witness may be excused.

8 Anything further in this case?

9 MR. DICKERSON: No, sir.

10 MR. CATANACH: If not, it will
11 be taken under advisement.

12

13 (Hearing concluded.)

14

15

16

17

18

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20

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24

25

C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9637,
heard by me on March 29 1989.

David R. Catam, Examiner
Oil Conservation Division

Exhibits 1 through 3
Complete set

NO. OF COPIES RECEIVED	
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LAND OFFICE	
OPERATOR	

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DEC 10 1983

O. C. D.

5A. Indicate Type of Lease

STATE ☐FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

b. Type of Well

DRILL ☒DEEPEN ☐PLUG BACK ☐OIL WELL ☒GAS WELL ☐

OTHER

SINGLE ZONE ☐MULTIPLE ZONE ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

207 S. 4th, Artesia, New Mexico 88210

4. Location of Well

UNIT LETTER A

LOCATED 330

FEET FROM THE North

LINE

AND

330

FEET FROM THE

East

LINE OF SEC. 25

TWP. 7S

RCC. 29E

NMPA

17. County

Chaves

19. Proposed Depth

appr. 2700'

19A. Formation

San Andres

20. Rotary or C.T.

Rotary

21. Elevations (show whether Dr, HJ, etc.)

4113' GL

21A. Kind & Status Plug. Band

Blanket

21B. Drilling Contractor

AFT #1

22. Approx. Date Work will start

ASAP

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	10 3/4"	40.5# J-55	350'	350 sx	circ
6 1/4"	4 1/2"	9.5# J-55	TD	300 sx	

Plan to drill and test the San Andres formation. Will set conductor pipe at surface and 350' of 10 3/4" casing. If circulation problems are encountered will run 8 5/8" to 1200', then will go and set 4 1/2". Perforate and stimulate as needed for production.

MUD PROGRAM: FW gel to 350', FW to TD.

BOP PROGRAM: BOP's will be installed on surface casing and tested.

Sent 40 partners
12-30-83
44 (4)

180
6-21-84

4. ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Michael R. Kellum Title Regulatory Agent

Date 12/19/83

(This space for State Use)

APPROVED BY Michael R. Kellum

TITLE

OIL AND GAS INSPECTOR

DATE DEC 21 1983

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
Case No. 9627
3/29/89 Examiner Hearing
Exhibit No. 2

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

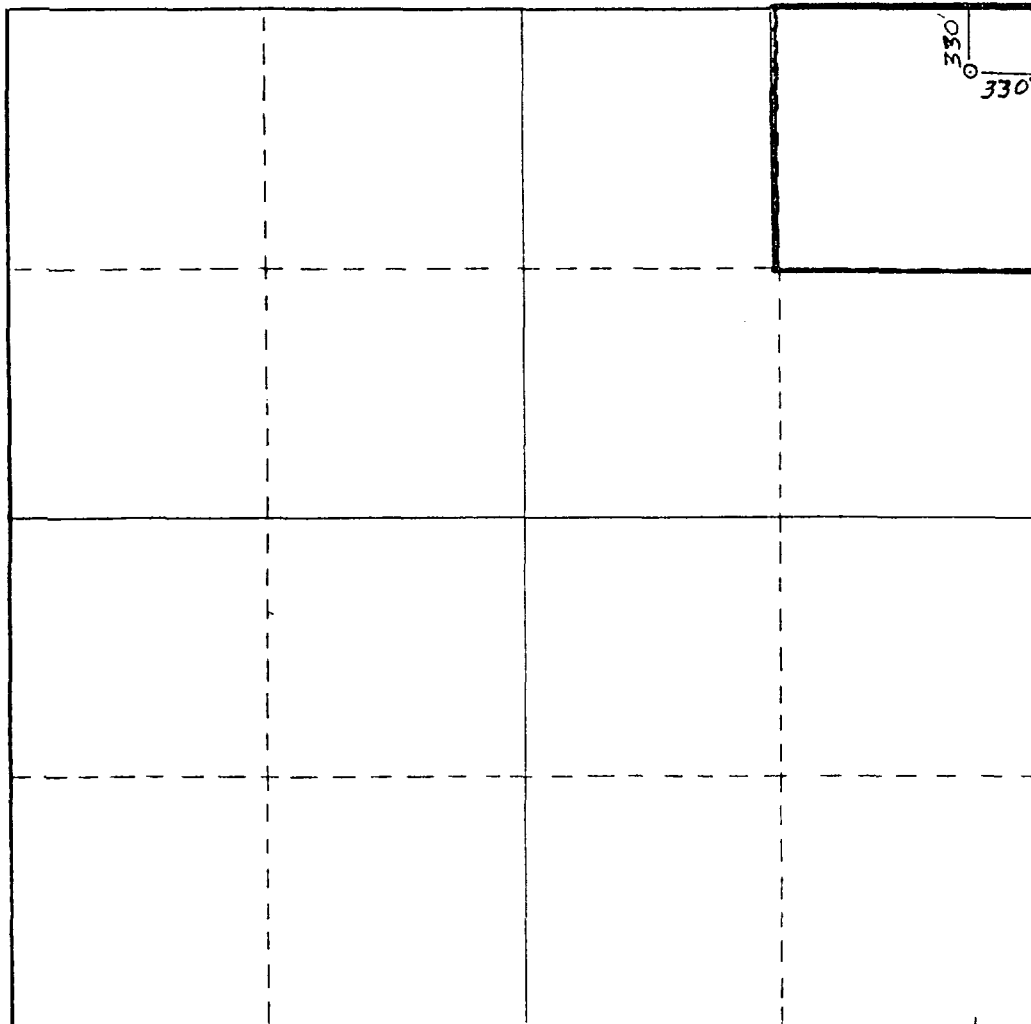
Operator YATES PETROLEUM CORPORATION			Lease Lightcap YR		Well No. 1
Unit Letter A	Section 25	Township 7 South	Range 29 East	County Chaves	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the East line					
Ground Level Elev. 4113.	Producing Formation <i>San Andres</i>		Pool <i>Wildcat San Andres</i>	Dedicated Acreage: 40 Acres	

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).
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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until 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 Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Gliserio Rodriguez
Name

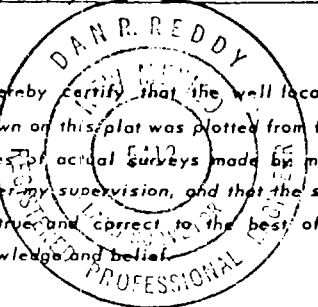
GLISERIO RODRIGUEZ
Position

REG. AGT.
Company

YATES PETROLEUM CORP
Date

12-19-83

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

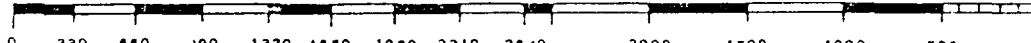


Date Surveyed
December 10, 1983

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS #5412



OIL CONSERVATION DIVISION

P. O. BOX 2000

SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State ☐ Fee ☒

5. State Oil & Gas Lease No.

1. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER

2. TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER

Name of Operator

Yates Petroleum Corporation

Address of Operator

207 South 4th St., Artesia, NM 88210

Location of Well

IT LETTER A LOCATED 330 FEET FROM THE North LINE AND 330 FEET FROM

East LINE OF SEC. 25 TWP. 7S RGE. 29E NMPM

3. Date Spudded 1-10-84 16. Date T.D. Reached 1-16-84 17. Date Compl. (Ready to Prod.) 6-27-84 18. Elevations (DF, RKB, RT, GR, etc.) 4113' GR 19. Elev. Casinghead

4. Total Depth 3400' 21. Plug Back T.D. 3350' 22. If Multiple Compl., How Many 23. Intervals Drilled By Rotary Tools 0-3400' Cable Tools

5. Producing Interval(s), of this completion - Top, Bottom, Name

3009-3245 1/2' San Andres

25. Was Directional Survey Made

No

6. Type Electric and Other Logs Run

CNL/FDC; DLL

27. Was Well Cored

No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	40.5#	381'	12-1/4"	350	
5-1/2"	15.5#	3400'	7-7/8"	200	

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8"	2980'	2980'

7. Perforation Record (Interval, size and number)

3009-32 w/12 .50" Holes
3086-3137 w/14 .42" Holes
3173-3233 w/10 .50" Holes
3181-3245 1/2 w/.42" Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3009-32	w/16500 g. 20% acid + balls
3086-3137	w/6000g. 20% acid + balls
3173-3233	w/5000g. 20% acid + balls
3181-3245 1/2	w/6000 g. 20% acid + balls

8. PRODUCTION

9. Date First Production 6-27-84	10. Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				11. Well Status (Prod. or Shut-in) SIWOPLC	
12. Date of Test 6-27-84	13. Hours Tested 8	14. Choke Size 24/64"	15. Prod'n. For Test Period →	16. Oil - Bbl. -	17. Gas - MCF 110	18. Water - Bbl. -
19. Flow Tubing Press. 230	20. Casing Pressure Pkr	21. Calculated 24-Hour Rate →	22. Oil - Bbl. -	23. Gas - MCF 330	24. Water - Bbl. -	25. Oil Gravity - API (Corr.) -

26. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented - will be sold

Test Witnessed By

Randy Wiebenga

27. List of Attachments

Deviation Survey

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED [Signature]

TITLE Production Supervisor

DATE 6-28-84

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____ 1030	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 1128	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1706	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 2390	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Illinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todillo _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____	_____ feet.
No. 2, from _____ to _____	_____ feet.
No. 3, from _____ to _____	_____ feet.
No. 4, from _____ to _____	_____ feet.

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	381	381	Surface, Redbeds				
381	2082	1701	Redbeds, Anhydrite, Salt				
2082	3165	1083	Anhydrite, Shale				
3165	3400	235	Dolomite				

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-79

All distances must be from the outer boundaries of the Section.

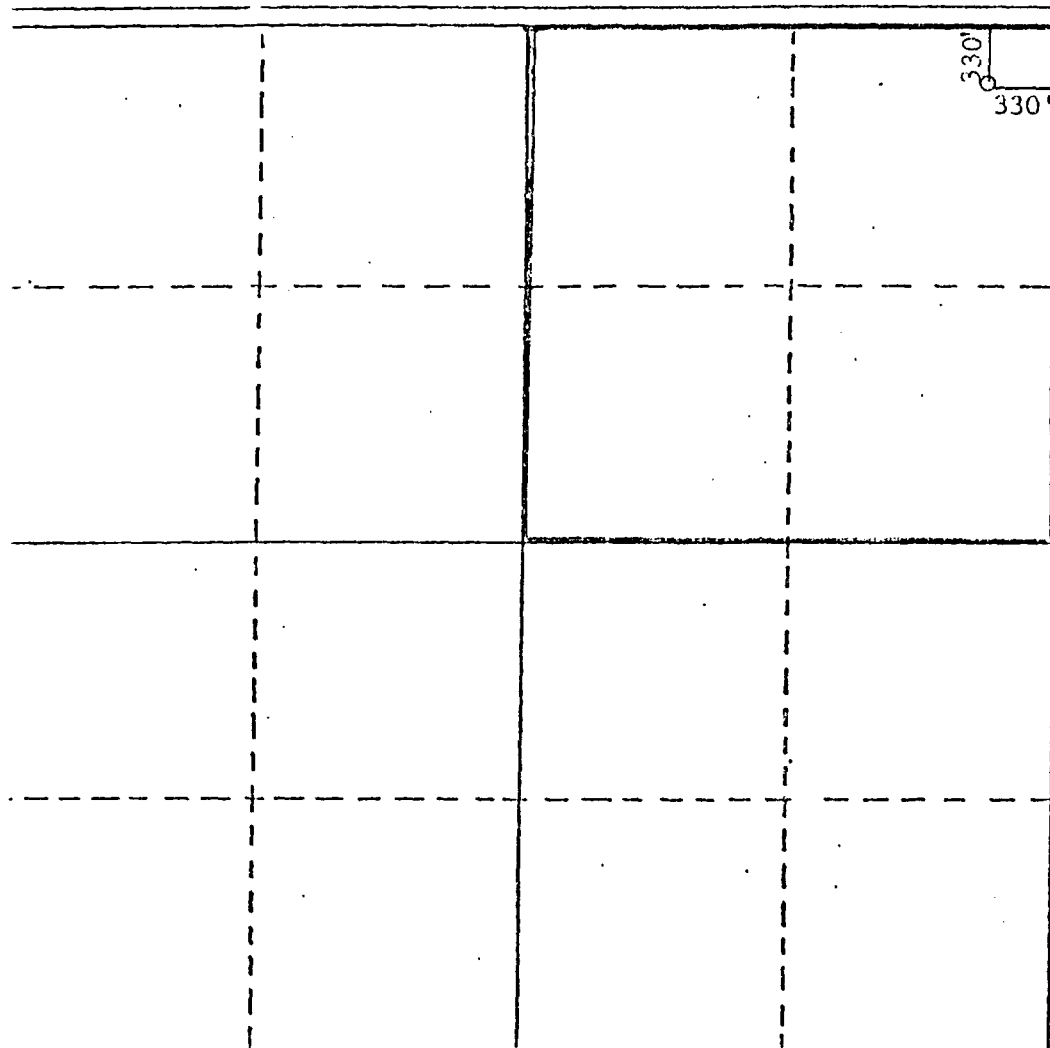
Operator Yates Petroleum Corporation			Lease Lightcap "YR"		Well No. 1
Init Letter A	Section 25	Township 7 South	Range 29 East	County Chaves	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the East line					
Ground Level Elev. 4113'	Producing Formation San Andres		Pool Wildcat San Andres		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).
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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until 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 Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Juanita Goodlett
Name Juanita Goodlett

Position
Production Supervisor

Company
Yates Petroleum Corporation

Date
6-29-84

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Refer to original plat

Date Surveyed dated 12-10-83

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR AN UNORTHODOX GAS WELL LOCA- :
TION, CHAVES COUNTY, NEW MEXICO :
_____ :

CASE NO. 9627

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

PATTI WIER, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good-faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, and that pursuant to Rule 1207, notice has been given at the correct addresses as provided by such rule.

In support hereof, affiant states that true copies of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves County, New Mexico, were mailed in accordance with Rule 1207, to any operator of a spacing unit or owner of an undrilled lease which adjoins the Applicant's spacing unit on one or more of the two sides or the single corner closest to the proposed well, in securely sealed, certified mail, return

YATES PETROLEUM CORPORATION
Case No. 9627
3/29/89 Examiner Hearing
Exhibit No. 3

receipt requested, postage prepaid envelopes, addressed to the following named parties:

Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210

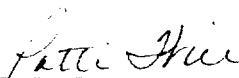
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Stevens Operating Corporation
P. O. Box 2203
Roswell, New Mexico 88201

State Office
Bureau of Land Management
P. O. Box 1449
Santa Fe, New Mexico 87504-1449

District Office
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

on the 13th day of February, 1989, as reflected by the copies of the letters transmitting such copies of the application and the return receipts executed on behalf of the addressees, attached hereto.



Patti Wier

SUBSCRIBED AND SWORN TO before me this 13th day of February, 1989, by PATTI WIER.

My commission expires:
1-2-90



Notary Public

February 13, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210

Re: Lightcap "YR" No. 1 Well
Township 7 South, Range 29 East, NMPM
Section 25: NE/4
Chaves County, New Mexico

Gentlemen:

Enclosed, please find a copy of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves County, New Mexico.

Hearing is scheduled before the New Mexico Oil Conservation Division, in Santa Fe, New Mexico, on March 15, 1989.

Please contact the undersigned if you have any questions regarding this application.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210

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Township 7 South, Range 29 East, NMPM
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Chaves County, New Mexico

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Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

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105 South Fourth Street
Artesia, New Mexico 88210

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Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stevens Operating Corporation
P. O. Box 2203
Roswell, New Mexico 88201

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DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

State Office
Bureau of Land Management
P. O. Box 1449
Santa Fe, New Mexico 87504-1449

Re: Lightcap "YR" No. 1 Well
Township 7 South, Range 29 East, NMPM
Section 25: NE/4
Chaves County, New Mexico

Gentlemen:

Enclosed, please find a copy of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves County, New Mexico.

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Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

District Office
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Re: Lightcap "YR" No. 1 Well
Township 7 South, Range 29 East, NMPM
Section 25: NE/4
Chaves County, New Mexico

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Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosure

cc: Yates Petroleum Corporation

P 920 346 865

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Vates Drilling Company	
Street and No. 105 South Fourth Street	
P.O. State and ZIP Code Artesia, NM 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 866

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Myco Industries, Inc.	
Street and No. 105 South Fourth Street	
P.O. State and ZIP Code Artesia, NM 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 867

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Abo Petroleum Corp.	
Street and No. 105 South Fourth Street	
P.O. State and ZIP Code Artesia, NM 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 868

RECEIPT FOR CERTIFIED MAILNO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Stevens Operating Corp.	
Street and No. P. O. Box 2203	
P.O. State and ZIP Code Roswell, NM 88201	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 869

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

Sent to State Office	
Street and No. Bureau of Land Management	
P.O. State and ZIP Code P. O. Box 1449	
Postage	\$
Santa Fe, NM 87504-1449	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 920 346 870

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

Sent to District Office	
Street and No. Bureau of Land Management	
P.O. State and ZIP Code P. O. Box 1397	
Postage	\$
Roswell, NM 88201	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Yates Drilling Company 105 South Fourth Street Artesia, NM 88210	4. Article Number P 920 346 865
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
	Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>
	8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Addressee X	
6. Signature — Agent X	
7. Date of Delivery 2/14/89	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Myco Industries, Inc. 105 South Fourth Street Artesia, NM 88210	4. Article Number P 920 346 866
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
	Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>
	8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Addressee X	
6. Signature — Agent X	
7. Date of Delivery 2/14/89	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Abo Petroleum Corp. 105 South Fourth Street Artesia, NM 88210	4. Article Number P 920 346 867
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
	Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>
	8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Addressee X	
6. Signature — Agent X	
7. Date of Delivery 2/14/89	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Stevens Operating Corp. P. O. Box 2203 Roswell, NM 88201	4. Article Number P 920 346 868 Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X <i>Sydney Cox</i>	
7. Date of Delivery 2/14/89	

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: State Office Bureau of Land Management P. O. Box 1449 Santa Fe, NM 87504-1449	4. Article Number P 920 346 869 Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery FEB 14 1989	

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: District Office Bureau of Land Management P. O. Box 1397 Roswell, NM 88201	4. Article Number P 920 346 870 Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery FEB 14 1989	

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT