

# FISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK  
DAVID R. VANDIVER

FAX  
(505) 746-4208

September 5, 1989

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Case No. 9700 - Compulsory Pooling  
Catclaw "AGM" State Com. No. 1 Well  
Township 20 South, Range 24 East, NMPM  
Section 2: N/2  
Eddy County, New Mexico

Case No. 9725 - Unorthodox Location  
Red Rock "NB" Federal No. 2 Well  
Township 6 South, Range 25 East, NMPM  
Section 28: SW/4  
Chaves County, New Mexico

Gentlemen:

Please continue the hearings set on the captioned applications of Yates Petroleum Corporation which are ~~scheduled for September 6, 1989, until the Examiner Hearing of September 20, 1989.~~

Thank you.

Very truly yours,

FISK & VANDIVER

David R. Vandiver

DRV:pvw

cc: Ms. Kathy Colbert

FISK, VANDIVER & CATRON

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E

ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK  
DAVID R. VANDIVER  
JAMES W. CATRON

August 18, 1989

**RECEIVED**

AUG 21 1989

OIL CONSERVATION DIV.  
SANTA FE

*De M.S.*

FAX  
(505) 746-4208

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Case No. 9698 - Unorthodox Location  
Dragonfly State Unit No. 2 Well  
Township 9 South, Range 27 East, NMPM  
Section 31: S/2  
Chaves County, New Mexico

Case No. 9700 - Compulsory Pooling  
Catclaw "AGM" State Com. No. 1 Well  
Township 20 South, Range 24 East, NMPM  
Section 2: N/2  
Eddy County, New Mexico

Case No. 9725 - Unorthodox Location  
Red Rock "NB" Federal No. 2 Well  
Township 6 South, Range 25 East, NMPM  
Section 28: SW/4  
Chaves County, New Mexico

Gentlemen:

Please continue the hearings set on the captioned applications of Yates Petroleum Corporation which are scheduled for August 23, 1989, until the Examiner Hearing of September 6, 1989.

Thank you.

Very truly yours,

FISK & VANDIVER

*David R. Vandiver*

David R. Vandiver

DRV:pvw

cc: Ms. Kathy Colbert

For August 23<sup>rd</sup>

CASE

APPLICATION OF VATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX  
GAS WELL LOCATION, CHAVES COUNTY,  
NEW MEXICO.

Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location ~~within~~ for its Red Rock "NB" Federal Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit A) of Section 28, Township 6 South, Range 25 East, Pecos Shore No Gas Pool, the SW<sup>1</sup>/<sub>4</sub> of said Section 28 to be dedicated to said well forming a ~~well~~ standard 160-acre gas spacing and production unit for said pool.

CASE 9031: (Continued from November 5, 1986, Examiner Hearing)

Application of Yates Petroleum Corporation for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Mescal "SE" Federal Well No. 1 located 660 feet from the North line and 1750 feet from the West line (Unit C) of Section 18, Township 21 South, Range 22 East, Little Box Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

*Applicant*

*Opposition:*

*Attorney*

*Witness(es):*

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*Cont. 12/17/86*

*Order Issued By D.R.C.*

*Continued To December 17, 1986*

*Dismissed*

*Order Finalized 12/31/86*

*Order No. R-8378 Case No. 9031*

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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

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

July 18, 1989

RECEIVED

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

JUL 20 1989

OIL CONSERVATION DIV.  
SANTA FE

Attention: Mr. William LeMay

Re: Non-Standard Location  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28, T6S-R25E  
Chaves County, New Mexico

Gentlemen:

*Case 9725*

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

The reason for requesting this non-standard location is topographic. Our preferred location was 660' FSL and 1980' FEL but this location fell in major drainage. Our next choice is 330' FSL and 1980' FWL.

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 slip showing where the offset operators have been notified. Offset operator has been notified of our intentions, by certified mail, via a xerox copy of this letter. Yates Petroleum Corporation has the other offsetting leases.

Formations we expect to drill through are: San Andres, Glorieta, Yeso and the Abo.

If you have any questions concerning this matter, please do not hesitate to call us.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

*(Geologist)*  
*moved*  
*Clifton R. May*

Clifton R. May  
Permit Agent

Enclosures

*August 23, 1989*

Red Rock "NB" Federal #2  
330" FNL and 1980" FWL of  
Section 28-T6S-R25E  
Chaves County, New Mexico

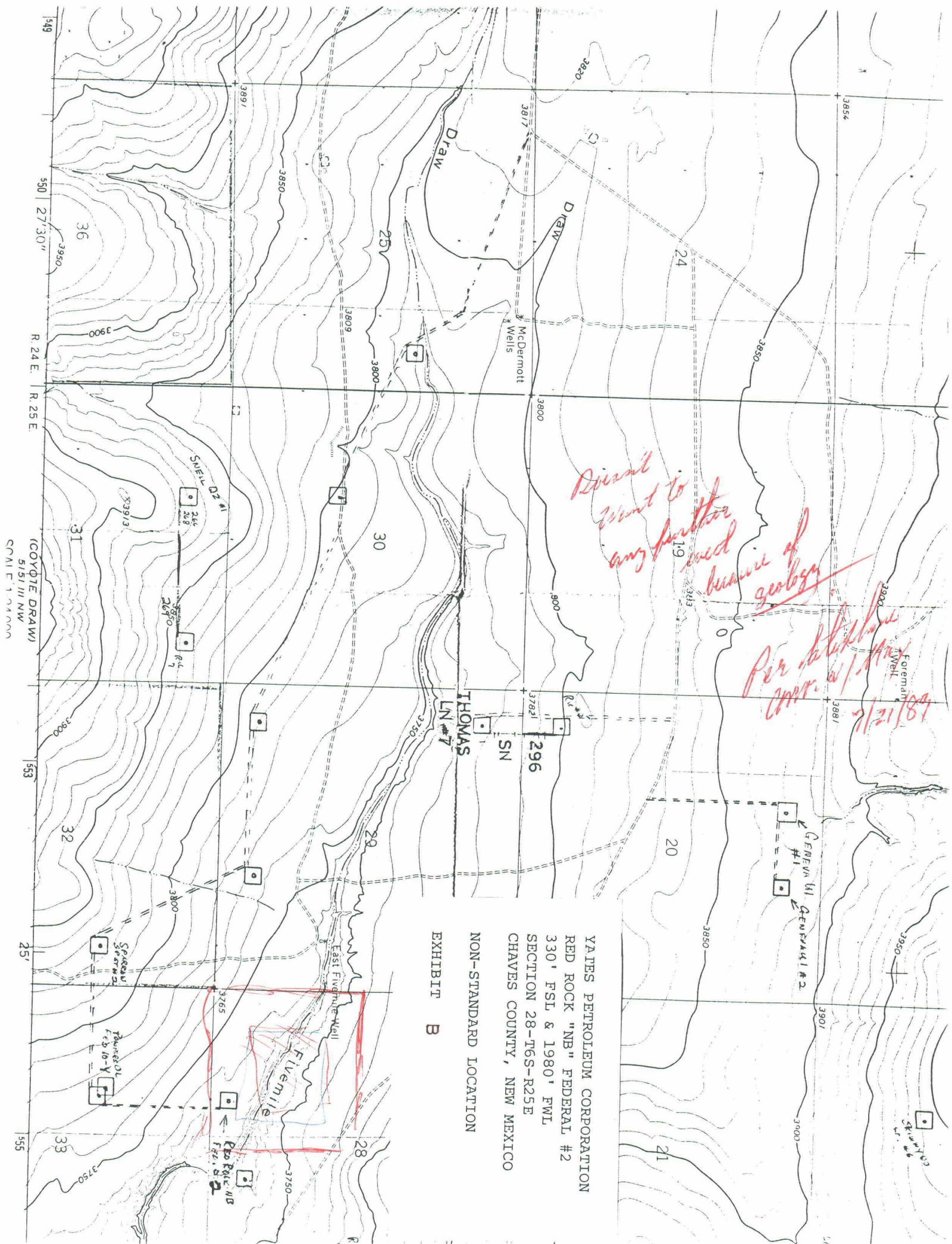
Offset Operators:

Mesa Operating Limited Partnership  
P. O. Box 2009  
Amarillo, Texas 79189-2009

Attention: Mr. Mark Seale

Yates Petroleum Corporation has the other offsetting leases.





*Don't want to go further because of geology*

*Per letter to Mr. A. J. [unclear] 12/1/89*

YATES PETROLEUM CORPORATION  
RED ROCK "NB" FEDERAL #2  
330' FSL & 1980' FWL  
SECTION 28-T6S-R25E  
CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT B

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 I  
P.O. Box 1980, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

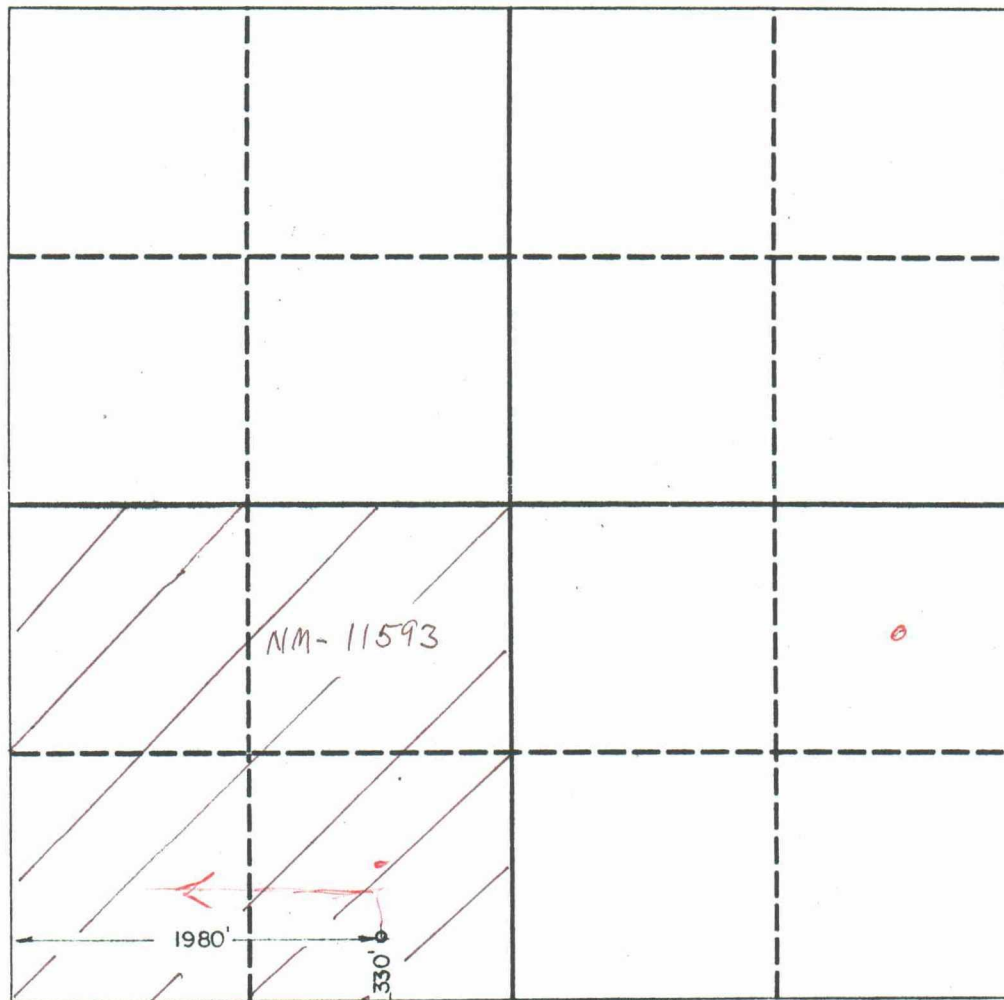
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease RED ROCK "NB" FEDERAL		Well No. 2
Unit Letter N	Section 28	Township 6 South	Range 25 East	County Chaves	

Actual Footage Location of Well:

1980 feet from the West line and 330 feet from the South line	
Ground level Elev. 3741.9	Producing Formation Abo
Pool PECOS SLOPE Abo	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 interest of all owners been consolidated by communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature Clifton R. May
Printed Name CLIFTON R. MAY
Position PERMIT AGENT
Company YATES PETROLEUM CORPORATION
Date 7-18-89

SURVEYOR CERTIFICATION

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 7/17/89
Signature & Seal of Professional Surveyor HERSCHEL L. JONES 3640
Certificate No. 3640

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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

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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

July 18, 1989

Mesa Operating Limited Partnership  
P. O. Box 2009  
Amarillo, Texas 79189-2009

Re: Non-Standard Location for  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28, T6S-R25E  
Chaves County, New Mexico

Gentlemen:

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

W A I V E R

As an offset operator, Mesa Operating Limited Partnership has no objections to the non-standard location for the captioned well.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

P 920 344 591

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Mesa Operating Ltd. Partnership	
Street and No. P. O. Box 2009	
P.O., State and ZIP Code Amarillo, TX 79189-2009	
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

Fold at line over flap of envelope to the right  
of the return address

**CERTIFIED**

P 920 344 591

**MAIL**

PS Form 3811, Feb. 1986

<p>● <b>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</b> 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.</p>	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address.	2. <input type="checkbox"/> Restricted Delivery.
3. Article Addressed to: Mesa Operating Limited Partnership P. O. Box 2009 Amarillo, Texas 79189-2009	4. Article Number P 920 344 591
Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD	
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid) Red Rock NB Fed. #2
6. Signature - Agent X	
7. Date of Delivery	

DOMESTIC RETURN RECEIPT

7/20/89 Called Clifton R. May  
not in - will call back

7/20/89 Missed Cliff May's call - tried calling back not in

7/21/89 8:50 AM Called Clifton May  
Don't want to move to the  
west for geological reasons.

7/21/89 9:05 Left word for Ruben Sanchez w/ Russell B. A. to call me  
back

7/21/89 9:07 Left word for Mike Williams to call me  
back.

[illegible]

Dear Mr. N.

Please tell the generation today concerning  
that particular feature of your policy which states  
dated July 18, 1938 which states

"The reason for requesting this non-standard location is topographic. Our preferred location was 660' FSL and 1980' FEL but this location fell in major drainage. Our next choice is 330' FSL and 1980' FWL."

It is my understanding that an alternative location back to the west of the original location was not acceptable to them because of geological reasons. Since there is no procedure for an application for a gas well shall on the other hand will require a hearing.

My dear Mr. Garrison  
I enclose the Packet with the  
copy of the paper. If you should have any questions  
I will be glad to answer them.

**ILLEGIBLE**



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

July 18, 1989

Northwest Pipeline Corporation  
P.O. Box 90  
Farmington, NM 87499

Attention: Mike Turnbaugh,  
Senior Engineer

RE: Application for a  
non-standard gas  
proration unit; Rosa  
Unit Well No. 203,  
1040' FSL -820' FEL  
(Unit P), Section  
18, Township 31  
North, Range 5 West.

Dear Mr. Turnbaugh:

The subject application show that the proposed Rosa Unit Well No. 203 will be located in the SE/4 of said Section 18, which, pursuant to Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by Division Order No. R-8768, is an unorthodox coal gas well location.

I will therefore hold this application until such time as a request for administrative approval on this well's location is filed.

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

Sincerely,

A handwritten signature in cursive script, reading "Michael E. Stogner".

Michael E. Stogner  
Administrative Application Reviewer

MES/ag

cc: Oil Conservation Division - Aztec

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

July 21, 1989

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

Mr. Clifton R. May, Permit Agent  
YATES PETROLEUM CORPORATION  
105 South Fourth Street  
Artesia, New Mexico 88210

*Case 9725*

RE: Non-Standard Gas Well Location  
Red Rock "NB" Federal Wll No. 2  
330' FSL, 1980' FNL (N) 28, T6S,  
R25E, Pecos Slope Abo Gas Pool,  
Chaves, County.

Dear Mr. May:

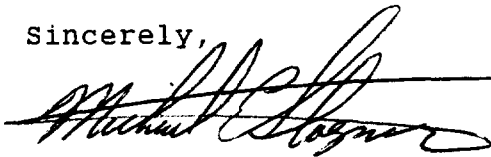
Per our telephone conversation today concerning that particular portion of your filing, dated July 19, 1989 which states:

"The reason for requesting this non-standard location is topographic. Our preferred location was 660' FSL and 1980' FEL but this location fell in major drainage. Our next choice is 330' FSL and 1980' FWL."

It is my understanding that an alternative location back to the west of the original location at either another standard location or at a less unorthodox location was not acceptable to Yates because of geological reasons. Since there is no administrative procedure for geological considerations for a gas well spaced on 160-acres (see General Rule 104.F.I), this matter will require a hearing before an examiner.

The next available Docket will be August 23, 1989. If you should have any question concerning this matter, please contact me.

Sincerely,



Michael E. Stogner, Engineer  
Chief Hearing Officer

MES/sl

cc: Vic Lyon  
William LeMay  
U.S.B.L.M., Roswell  
OCD Artesia Office

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates                      Case No. 9725  
Petroleum Corporation for  
an unorthodox gas well  
location, Chaves County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE:   MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

October 18, 1989

**ORIGINAL**

CUMBRE COURT REPORTING  
(505) 984-2244

1                   HEARING EXAMINER: On The fifth page, I'll  
2 call Case No. 9725, which is the application of Yates  
3 Petroleum Corporation for an unorthodox gas well  
4 location, Chaves County, New Mexico.

5                   At the Applicant's request, this case will  
6 be continued to the examiner's hearing scheduled for  
7 November 1, 1989.

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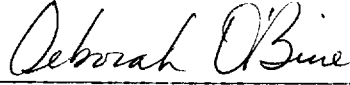
## 1 CERTIFICATE OF REPORTER

2  
3 STATE OF NEW MEXICO )  
4 COUNTY OF SANTA FE ) ss.  
5

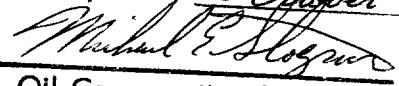
6 I, Deborah O'Bine, Certified Shorthand  
7 Reporter and Notary Public, HEREBY CERTIFY that the  
8 foregoing transcript of proceedings before the Oil  
9 Conservation Division was reported by me; that I  
10 caused my notes to be transcribed under my personal  
11 supervision; and that the foregoing is a true and  
12 accurate record of the proceedings.

13 I FURTHER CERTIFY that I am not a relative  
14 or employee of any of the parties or attorneys  
15 involved in this matter and that I have no personal  
16 interest in the final disposition of this matter.

17 WITNESS MY HAND AND SEAL November 13, 1989.

18   
19 DEBORAH O'BINE  
20 CSR No. 127

21 My commission expires: August 10, 1990  
22

23 I do hereby certify that the foregoing is  
24 a complete record of the proceedings in  
25 the Examiner hearing of Case No. 9725,  
heard by me on 18 October 1989.  
, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates                      Case No. 9725  
Petroleum Corporation for  
an unorthodox gas well  
location, Chaves County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE:    MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

October 4, 1989

**ORIGINAL**

CUMBRE COURT REPORTING  
(505) 984-2244

## A P P E A R A N C E S

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FOR THE DIVISION:

Robert G. Stovall

Attorney at Law

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Legal Counsel to the Divison

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State Land Office Building

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Santa Fe, New Mexico

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1 HEARING EXAMINER: I'll call the next case,  
2 No. 9725.

3 MR. STOVALL: Application of Yates  
4 Petroleum Corporation for an unorthodox gas well  
5 location, Chaves County, New Mexico.

6 Applicant requests this case be continued  
7 to October 18, 1989.

8 HEARING OFFICER: Case No. 9725 will be  
9 continued to the Examiner Hearing scheduled for  
10 October 18, 1989.

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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )

) ss.

COUNTY OF SANTA FE )

I, Deborah O'Bine, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I caused my notes to be transcribed under my personal supervision; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

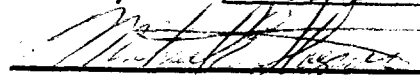
WITNESS MY HAND AND SEAL November 1,, 1989.



DEBORAH O'BINE  
CSR No. 127

My commission expires: August 10, 1990

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 9725, heard by me on 4 Oct 1989 1989.

  
 Michael H. [unclear], Examiner  
 Oil Conservation Division