

LAW OFFICES
LOSEE, CARSON, HAAS & CARROLL, P.A.
300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

OIL CONSERVATION DIVISION
RECEIVED
'92 MAY 28 AM 8 52

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

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

May 27, 1992

Mr. Michael Stogner, Examiner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation to
Reopen Case No. 10460

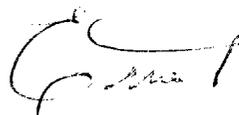
Dear Mike:

Pursuant to our phone conversation, I am enclosing herewith our
Application to Reopen, in duplicate, for your handling. I would
appreciate it if you would see that it is properly filed.

Please advise if you require anything further. Thank you for
your assistance in this matter.

Very truly yours,

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



Ernest L. Carroll

ELC:kth
Enclosures

xc w/encl: Rob Bullock

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR : CASE NO. 10460
PERMISSION TO DRILL A DEVIATED HOLE, :
EDDY AND LEA COUNTIES, NEW MEXICO :
_____ :

APPLICATION TO REOPEN

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys Losee, Carson, Haas & Carroll, P.A. (Ernest L. Carroll), and in support hereof respectfully states:

1. Applicant is the operator of the Delaware and intermediate formations underlying:

Township 21 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Section 19: Unit L,

and proposes to drill its Bonneville "AKK" Federal No. 3 Well to be bottomed at a standard oil well location approximately 1980 feet from the South line and 660 feet from the West line in Lot 3 (NW/4 of the SW/4 equivalent) of said Section 19, being a non-standard 43.39 acre oil spacing and proration unit for said pool.

2. Prior to this date, Applicant's original application for permission to drill a deviated hole was heard on April 2, 1992, before Examiner David R. Catanach, and on April 9, 1992, Order No. R-9662 was entered in said case.

3. Applicant incorporates by reference the findings contained in said Order as if they were fully set out herein.

4. At the time that Yates Petroleum Corporation sought approval of the Bonneville "AKK" Federal No. 3 as a deviated hole, it also sought approval of the Bonneville "AKK" Federal No. 2 in Case No. 10461. Approval was likewise granted to drill the Bonneville "AKK" Federal No. 2 as a deviated hole, and the drilling of that well has begun.

5. Both of the applications in Case No. 10460 and in 10461 were made for the same surface location, because at the time of application, Applicant was unsure as to whether it would drill both wells. Applicant has now determined that it should drill both wells and seeks to have Case 10460 reopened so that it can move the surface location of the Bonneville "AKK" Federal No. 3 Well some 210 feet to the north of the approved location, so as to accommodate the drilling of both the Bonneville "AKK" Federal No. 3 and the Bonneville "AKK" Federal No. 2. Attached as Exhibit 1 is a land plant showing the new location.

6. The proposed location that Applicant now seeks to drill the Bonneville "AKK" Federal No. 3 as a deviated hole from is 810 feet from the South line and 200 feet from the East line of Section 24, Township 21 South, Range 31 East.

7. Applicant has given due notice to the affected potash lessee, as reflected by the attached Exhibit 2.

8. Applicant seeks administrative approval of the location change for the drilling of the deviated hole Bonneville "AKK" Federal No. 3 well.

9. Applicant seeks approval of this application on the same evidence and terms on which approval was granted in Order R-9662.

10. The approval of this application will afford Applicant the opportunity to produce its just and equitable share of oil, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

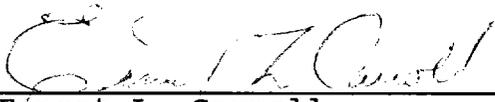
A. That this application be called up for hearing and, should no objection be raised, that administrative approval be given for the change of the surface location for the Bonneville "AKK" Federal No. 3.

B. That this location change be made so that Applicant may drill its Bonneville "AKK" Federal No. 3 Well at a point on the surface located 810 feet from the South line and 200 feet from the East line of Section 24, Township 21, Range 31 East, N.M.P.M., to be bottomed at a standard oil well location approximately 1980 feet from the South line and 660 feet from the West line in Lot 3 (NW/4 of the SW/4 equivalent) of said Section 19, being a non-standard 43.39 acre oil spacing and proration unit for said pool,

which is reasonably presumed to be productive of oil from the Delaware or intermediate formations.

C. For such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Applicant

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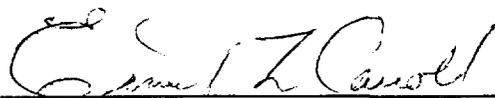
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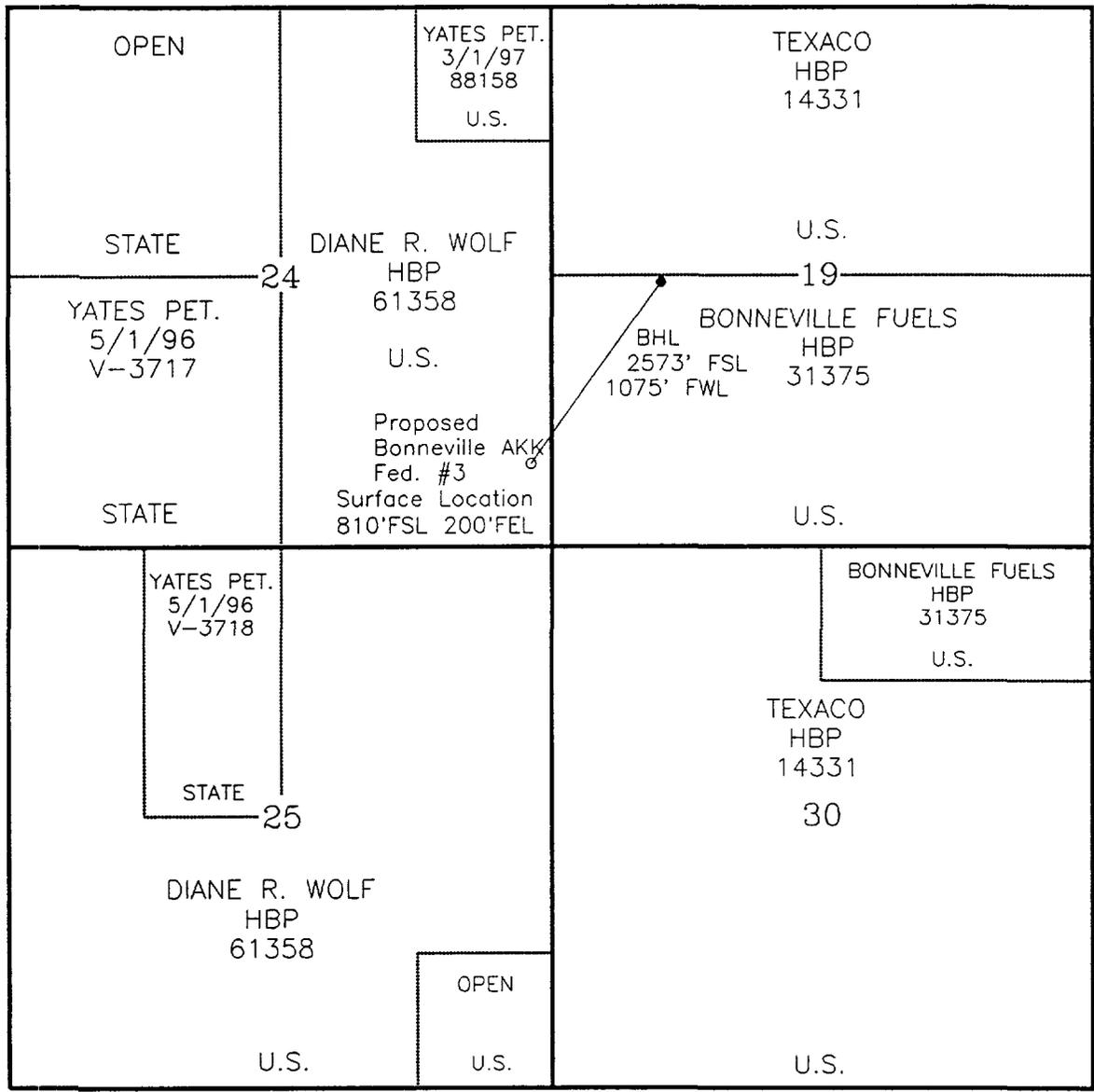
By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Applicant

T21S-R31E

T21S-R32E



Eddy County

Lea County



SCALE: 3"=1Mile
 MAP #92018A
 3/92 (Rev. 5/92) LF

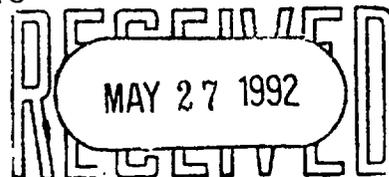
EXHIBIT "A"
 OIL & GAS LESSEES
 BONNEVILLE AKK FED. #3
 DIRECTIONAL DRILL
 Eddy & Lea Counties
 T21S-R31&32E

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



May 15, 1992

Mr. Bob Lane
New Mexico Potash
P.O. Box 610
Hobbs, New Mexico 88241

Dear Mr. Lane:

Yates Petroleum Corporation received approval to drill the Bonneville "AKK" Federal #3 at the surface location of 660' FSL and 200' FEL, Section 24-T21S-R31E on April 15, 1992 to drill a directional hole with a target zone of 1980' FSL and 660' FWL in Section 19-T21S-R32E. Yates is drilling the Bonneville AKK Federal #2 at that location. Due to the equipment on the Bonneville AKK Federal #2 and the Wolf AJA Federal #7, 660' FSL and 330' FEL, Section 24-T21S-R31E, to accommodate the drilling rig, it is necessary to move the Bonneville AKK Federal #3 to 810' FSL and 200' FEL, Section 24-T21S-R31E on the NE corner of the Wolf AJA Federal #7 pad and 150' north of the Bonneville AKK Federal #2 wellbore.

We respectfully request that your company waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope. A copy of the Sundry Notice and new plat sent to the Bureau of Land Management is enclosed.

Your favorable consideration of this request will be greatly appreciated. Should you have any questions, please call me at 748-1471.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tgr
Enclosures

NO OBJECTIONS OFFERED
NEW MEXICO POTASH

OBJECTIONS OFFERED
NEW MEXICO POTASH

By Tim Woomer
Title Mine Engineer
Date May 26, 1992

By _____
Title _____
Date _____

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



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Enclosures

NO OBJECTIONS OFFERED
NEW MEXICO POTASH

OBJECTIONS OFFERED
NEW MEXICO POTASH

By _____

By _____

Title _____

Title _____

Date _____

Date _____

(BACK)

P 384 290 571
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to	Mr. Bob Lane/NM Potash
Street and No	P.O. Box 610
	Hobbs, New Mexico 88241
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom, to whom and Date Delivered	
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	5-15-92
	Bonneville AKK Fed. #3

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 we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

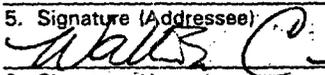
Consult postmaster for fee.

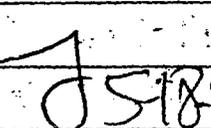
3. Article Addressed to:
 Mr. Bob Lane
 New Mexico Potash
 P.O. Box 610
 Hobbs, New Mexico 88241

4a. Article Number
 P 384 290 571

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)


6. Signature (Agent)


8. Addressee's Address (Only if requested and fee is paid)
 Bonneville AKK Fed. #3

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
5. Lease Designation and Serial No.
NM-31375
6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No.

105 South Fourth Street, Artesia, New Mexico

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface - 810' FSL and 200' FEL, Sec. 24-T21S-R31E, Eddy Co., NM
Producing - 1980' FSL and 660' FWL, Sec. 19-T21S-R33E, Lea Co., NM

7. If Unit or CA, Agreement Designation
8. Well Name and No.
Bonneville "AKK" Fed.
9. API Well No.
10. Field and Pool, or Exploratory Area
W. Lusk Delaware
11. County or Parish, State
Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Move location</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to amend the surface use plan to move the surface location 150' north to 810' FSL and 200' FEL, Section 24-T21S-R31E, Eddy County, New Mexico. Archeological survey was done by Pecos Archeological Consultants, March 31, 1992. (New plat attached.)

14. I hereby certify that the foregoing is true and correct

Signed

[Handwritten Signature]

Title

Landman

Date

5-6-92

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

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

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

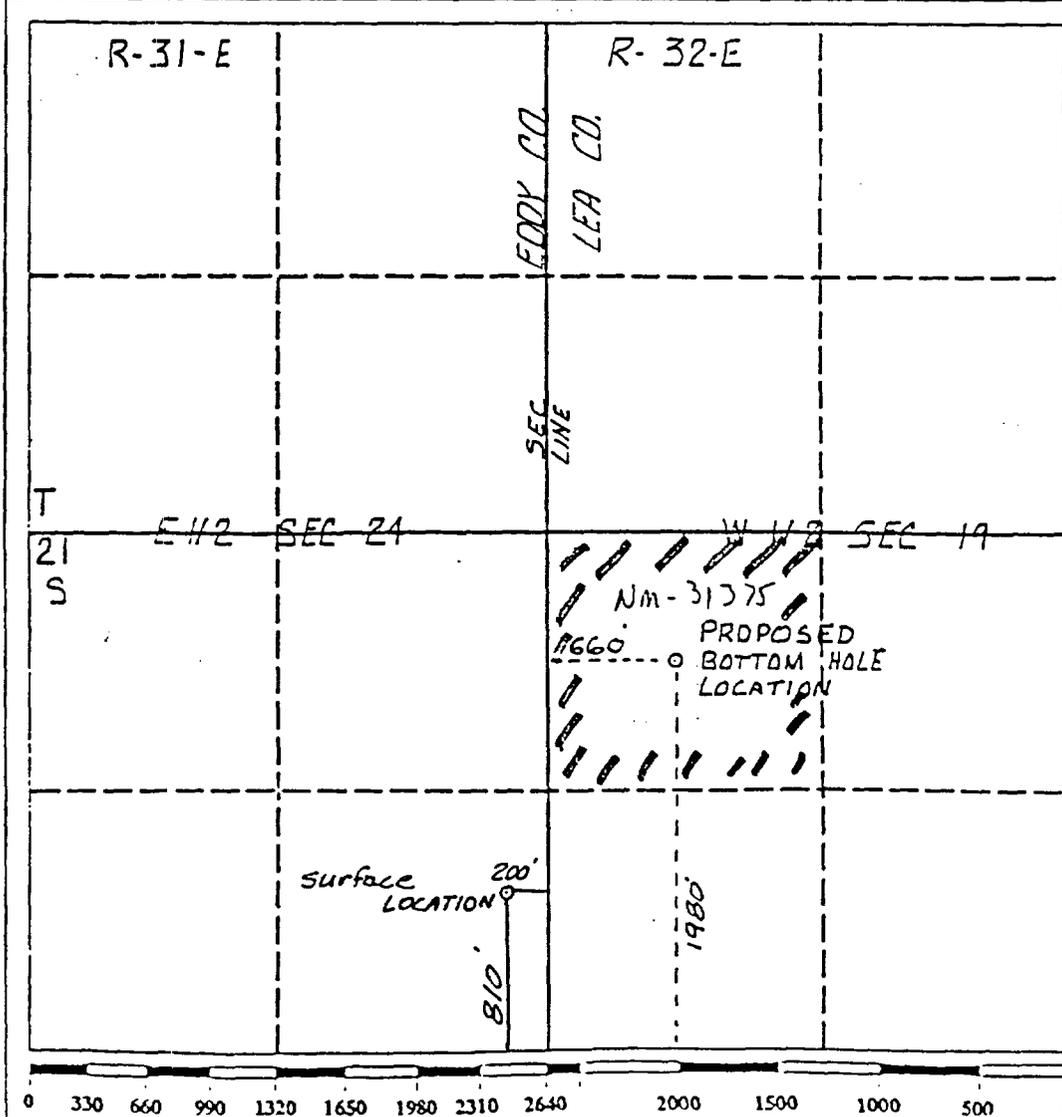
Operator YATES PETROLEUM CORPORATION			Lease BONNEVILLE AKK FEDERAL		Well No. 3
Unit Letter P	Section 24	Township 21 SOUTH	Range 31 EAST	County NMPM SEE BELOW	
Actual Footage Location of Well: 810 feet from the SOUTH line and 200 feet from the EAST line					
Ground level Elev. 3636.	Producing Formation Delaware		Pool Wet Hook Delaware	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 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: *Ken Beardemphl*

Printed Name: **Ken Beardemphl**

Position: **Landman**

Company: **Yates Pet. Corp.**

Date: **5-8-92**

SURVEYOR CERTIFICATION

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

Date Surveyed: **MAY 7, 1992**

Signature: *[Signature]*

Professional Surveyor

NEW MEXICO
 5412
 REGISTERED PROFESSIONAL SURVEYOR
 NM REGS. NO. 5412