

207 SOUTH FOURTH STREET
ARTESIA. NEW MEXICO 88210
TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT

MARTIN YATES, III
VICE PRESIDENT

JOHN A. YATES
VICE PRESIDENT

B. W. HARPER
SEC.-TREAS.

May 24, 1984

Mr. Joe D. Ramey, Secretary-Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Gilbert Quintana

Pase 8236

Re: Zephyr "ZQ" State #1 330' FNL and 2600' FEL Sec. 32-T16S-R31E

Eddy County, New Mexico

Dear Gilbert,

Per our telephone conversation of May 23, 1984 concerning the above referenced well, I have enclosed a surveyors plat, copy of the lease map and a copy of the order issued by NMOCD to Anadarko Production Company.

Yates Petroleum would like administrative approval to drill this non-standard location based on the guidelines Anadarko presented to the NMOCD to obtain the ruling in case No. 8004, Order No. R-7410, paragraphs 3 and 4, a copy of which is attached.

As shown on the lease map, we are encroaching upon the west quarter line but not the section line to the north. In the early part of this year, Yates Petroleum purchased Newmont Oil Co., including the acreage surrounding Sec. 32 (shown in blue on the map).

Thank you for your cooperation and concern in this matter. Should you need any more information, please call.

Sincerely,

Cy Cowan Regulatory Agent

YATES PETROLEUM CORPORATION

CC/dw

enclosures

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supercedes Ca Effective 14-4

NM PE&LS #5412

All distances must be from the outer boundaries of the Section. Well No. Operator "ZO" State YATES PETROLEUM CORPORATION Zephyr Unit Letter Section Range 16 South Eddy 31 East B Actual Footage Location of Well: 2600 East 330 North feet from the feet from the Ground Level Elev. Dedicated 3939' Acres 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? 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 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 2600 I hereby certify that the information contained herein is true and complete to the Cy Cowan Position Regulatory Agent Yates Petroleum Corp. Date 5/24/84 NR. REDO mode by PROFESSION Date Surveyed May 9, 1984 Registered Professional Engineer Certificate No.

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ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION OF

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

DEC 19 1983

O. C. D.

ARTESIA, OFFICE

CASE NO. 8004 Order No. R-7410

APPLICATION OF ANADARKO PRODUCTION COMPANY FOR AN UNORTHODOX WELL LOCATION AND A NON-STANDARD PRORATION UNIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>16th</u> day of December, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Anadarko Production Company, seeks approval of a 30.99-acre non-standard oil proration unit comprising the NW/4 SW/4 of Section 31, Township 16 South, Range 31 East, NMPM, to be dedicated to a well at an unorthodox location 1370 feet from the South line and 927 feet from the West line of said Section 31, Eddy County, New Mexico.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of oil from the Square Lake Grayburg-San Andres Pool and that the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Square Lake Grayburg-San Andres Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from

prevention and protect correlative Tights.

IT IS THEREFORE ORDERED:

- (1) That a 30.99-acre non-standard oil proration unit in the Square Lake Grayburg-San Andres Pool comprising the NW/4 SW/4 of Section 31, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a well at an unorthodox location, also hereby approved, 1370 feet from the South line and 927 feet from the West line of said Section 31.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO

QIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

SEAL