

**HEYCO**

PETROLEUM PRODUCERS



**HARVEY E. YATES COMPANY**

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

OIL CONSERVATION DIVISION  
SANTA FE ROSWELL, NEW MEXICO 88201

CERTIFIED - RETURN RECEIPT REQUESTED

April 30, 1982

Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

*Case 7594*

Attention: Ms. Florine Davidson

RE: Application for Statutory  
Unitization of Bone  
Spring Formation  
YOUNG DEEP UNIT  
T-18S, R-32E, N.M.P.M.  
Lea County, New Mexico  
(HEYCO Ref: 9026)

Gentlemen:

Enclosed please find Application for Statutory Unitization of  
the Bone Spring formation of the above-referenced unit.

Please set the matter for hearing on May 26, 1982.

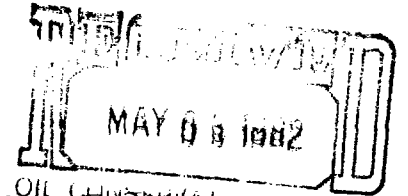
Sincerely,

Thomas J. Hall, III  
Attorney

TJH:seb

Enclosures

BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT OF  
THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION :  
OF HARVEY E. YATES COMPANY FOR :  
UNITIZATION OF THE BONE SPRING :  
FORMATION OF THE YOUNG DEEP UNIT :  
LEA COUNTY, NEW MEXICO :

Case No. 7577  
OIL CONSERVATION DIVISION  
SANTA FE

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney and respectfully states:

1. Applicant requests the Division issue an Order providing for the unitization and unit operation of the Bone Spring Formation of the Young Deep Unit, pursuant to the Statutory Unitization Act §70-7-1 et. seq. N.M.S.A., 1978.

2. The proposed unit area would be:

Township 18 South, Range 32 East, N.M.P.M.

Section 3: S/2  
Section 4: E/2 SE/4  
Section 9: NE/4 NE/4  
Section 10: N/2 NW/4, NW/4 NE/4

Containing 560 acres more or less

3. The proposed unitized formation will be the Bone Spring formation, more particularly described as the carbonate unit between the First and Second Bone Spring Sands.

4. The mineral ownership within the proposed unit area is: United States, 100.00%.

5. The reservoir or portion thereof involved in this application has been reasonably defined by development.

6. Applicant proposes to conduct on the area, a pilot water injection project for secondary recovery.

7. The proposed unit area and unitized formation is currently within the boundary of the Young Deep Unit, which is a federally approved exploratory unit, the provisions of which applicant considers fair, reasonable and equitable.

8. The proposed unit area and unitized formation is covered by the Young Deep Unit Operating Agreement, which covers the manner in which the area will be supervised and managed and costs allocated and paid.

9. Applicant has had an engineering study prepared and from it, has developed an operating plan for the proposed secondary recovery project.

10. Applicant believes that the unitized management, operation and further development of the oil and gas pool or a portion thereof is reasonably necessary in order to effectively carry on pressure maintenance or secondary or tertiary recovery operations, to substantially increase the ultimate recovery of oil and gas from the pool or the unitized portion thereof.

11. Applicant believes that one (1) or more of the said unitized methods of operations as applied to such pool or portion thereof is feasible, will prevent waste and will result, with rea-

sonable probability, in the increased recovery of substantially more oil and gas from the pool or unitized portion thereof, than would otherwise be recovered.

12. Applicant believes that the estimated additional costs, if any, of conducting such operations will not exceed the estimated value of the additional oil and gas so recovered, plus a reasonable profit.

13. Applicant believes that such unitization and adoption of one (1) or more of such unitized methods of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the pool or portion thereof directly affected.

14. Applicant believes he has made a good faith effort to secure voluntary unitization within the pool or portion thereof directly affected.

15. Applicant believes that the participation formula contained in the unitization agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable, and equitable basis.

WHEREFORE, Applicant respectfully requests:

A. That this application be set for a hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon such hearing, the Division enter its or-

der providing for unitization and unit operation of the Bone Spring formation of the Young Deep Unit, pursuant to the Statutory Unitization Act, §70-7-1 et. seq. N.M.S.A., 1978.

C. For such further relief as the Division deems just and proper.

DATED this 30 day of April, 1982

HARVEY E. YATES COMPANY

BY:



Thomas J. Hall, III  
Attorney for Applicant  
Post Office Box 1933  
Roswell, New Mexico 88201

TJH:seb

OCD#1-49

<p>4 3 2</p> <p>1</p> <p>Marathon LC-029409-b 11-1-80</p> <p>40.58</p> <p>40.60</p> <p>40.60</p> <p>40.67</p> <p>22</p> <p>Marathon NM-036852 11-1-80</p>		<p>2 1 9</p> <p>H E Yates Co etal NM-11118 2-1-80</p>		
<p>21</p> <p>Gulf NM-28017 6-1-81</p>	<p>2</p> <p>Exxon LC-059255 HBP</p>	<p>4</p> <p>Reading B Bates LC-064638 HBP</p>	<p>9</p> <p>H E Yates Co. etal NM-11118 2-1-80</p>	<p>22</p> <p>Marathon NM-036852 11-1-80</p>
<p>20</p> <p>Bruce Anderson, etal NM-24488 3-1-85</p>	<p>7</p> <p>Anadarko NM-4364 11-1-80</p>			
<p>6</p> <p>Galaxy, I/2 (formerly Shenandoah) Gulf, I/4 Charlesworth Est. I/4 LC-061581 11-1-81</p>	<p>16</p> <p>Gulf NM-18232 5-1-83</p>	<p>8</p> <p>Continental NM-9018 12-22-59 HBP</p>	<p>3</p> <p>Galaxy, I/2 (formerly Shenandoah) Gulf, I/4 Charlesworth Est. I/4 LC-064009-d 11-1-81</p>	<p>12</p> <p>H E Yates Co. etal NM-14789-a 2-1-82</p>
			<p>14</p> <p>H E Yates Co. etal NM-16350 8-1-82</p>	<p>14</p> <p>H E Yates Co. etal NM-16350 8-1-82</p>
			<p>10</p> <p>Yates Drilg Co NM-12567 11-1-80</p>	<p>12</p> <p>H E Yates Co etal NM-14789-a 2-1-82</p>
				<p>18</p> <p>H E Yates Co etal NM-2097 6-1-84</p>
<p>8</p> <p>Continental NM-9018 HBP</p>	<p>3</p> <p>Galaxy Oil, I/2 (formerly Shenandoah) Gulf, I/4 Charlesworth Est. I/4 LC-064009-d 11-1-81</p>	<p>13</p> <p>Amoco Prod Co NM-15905 7-1-82</p>	<p>5</p> <p>Yates Pet LC-065580 HBP</p>	<p>19</p> <p>Gulf Oil Co NM-22642 10-1-84</p>
		<p>11</p> <p>Amoco Prod Co NM-14789 2-1-82</p>		<p>17</p> <p>Amoco 7-1-83 NM-18629</p>
			<p>15</p> <p>Jos S Sprinkle, etal NM-17235 11-83</p>	<p>19</p> <p>Gulf 10-1-84 NM-22642</p>

Unit Outline  
 19 Tract Number  
 Federal Lands  
 2,242.45 ac., 100% of Unit Area

Scale: 1" = 2000'

EXHIBIT "A"

YOUNG DEEP UNIT AREA  
LEA COUNTY, NEW MEXICO