



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 25, 1996

Michael Shearn Oil Properties
c/o Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Attention: W. Thomas Kellahin

RE: Administrative application of Yates Petroleum Corporation ("Yates") for a non-standard 80-acre oil spacing and proration unit within the Undesignated West Lovington-Strawn Pool to comprise Lots 10 and 11 of Irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Mr. Kellahin:

Reference is made to your letter dated September 16, 1996 objecting to the subject Yates application. Please refer to my letter dated September 9, 1996 denying their request for administrative review. To date I know of no further action taken by Yates in this matter.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185 or through the e-mail at:

"MIKSTOGNER@EMNRDSF.STATE.NM.US".

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe
Yates Petroleum Corporation - Artesia

SEP 1998
received
Hobbs
GCD



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 9, 1996

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

Attention: Robert Bullock

RE: Administrative application for a non-standard 80-acre oil spacing and proration unit within the Undesignated West Lovington-Strawn Pool to comprise Lots 10 and 11 of Irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Mr. Bullock:

The subject application dated September 3, 1996 cannot be approved administratively. **Rule 2** of the "*Special Rules and Regulations for the West Lovington-Strawn Pool*", as promulgated by Division Order No. R-9722, as amended, describes a standard 80-acre unit for said pool to consist of the N/2, S/2, E/2, or W/2 of a governmental quarter section and since the necessity for the creation of the subject unit does not necessarily fit the requirements of **Rule 3** of said special pool rules, the subject application will be considered only after notice and hearing. Should Yates wish to pursue this matter further please refile accordingly.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185 or through the e-mail at:

"MIKSTOGNER@EMNRDSF.STATE.NM.US."

Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe

SEP 1990
received
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OCD

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 16, 1996

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
Attn: Michael E. Stogner

HAND DELIVERED

Re: NOTICE OF OBJECTION TO
Administrative Application of
Yates Petroleum Corporation
for a Non-Standard Proration and Spacing Unit
Field APK State Well No. 1
Lots 10 & 11 Section 2, T16S, R35E, NMPM
West Lovington Strawn Pool (Lea County)

RECEIVED

SEP 16 1996

Oil Conservation Division

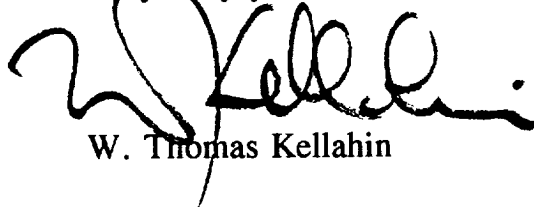
Dear Mr. Stogner:

On behalf of Michael Shearn Oil Properties, and in accordance with Division Rule 104.D, we hereby object to the referenced application filed with the Division by Yates Petroleum Corporation (Yates") letter dated September 3, 1996 (copy enclosed).

Michael Shearn Oil Properties requests that the Division dismiss the Yates' application because Yates failed to comply with Division Rule 104.D(2)(c). Yates has:

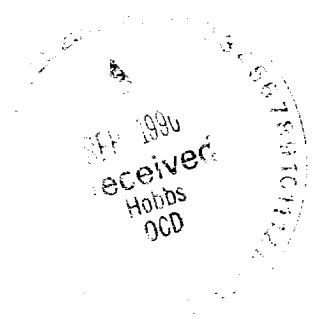
- (1) failed to submit to the Division an accurate list of the affected parties;
- (2) failed to submit an accurate plat showing the offset spacing units;
- (3) failed to provide a statement that discusses the necessity for the formation of the subject non-standard spacing unit; and
- (4) failed to set forth the reasons why a standard sized spacing unit is not feasible.

Very truly yours,



W. Thomas Kellahin

cc: Yates Petroleum Corporation
cc: Michael Shearn Oil Properties



MARTIN YATES, II
1912 - 1983
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
REYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

September 3, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Certified Mail
Return Receipt Requested

RECEIVED

SEP 16 1996

Oil Conservation Division

Re: Application for Non-Standard Spacing Unit
Field APK State #1
West Lovington Strawn Oil Pool
Township 16 South, Range 35 East, NMPM
Section 2: Lots 10 and 11
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for a non-standard spacing unit for an orthodox Strawn oil well, the Field APK State #1. This well is staked on State of New Mexico minerals at a location 1880' FEL and 3500' FNL of Section 2, T16S-R35E. The acreage dedicated to the well are Lot 10 and 11.

This well is located in the West Lovington Strawn oil pool which requires 80 acre well dedication. Lots 10 and 11 is the only contiguous 80 acre tract Yates owns in Section 2. It is Yate's desire to drill and operate a 100% Yate's owned well and to do so requires dedication of Lots 10 and 11.

Notification to the offset operators in the N/2 of Section 2 has been made by certified mail on September 3, 1996, including a copy of this application letter with all attachments. We request that this non-standard spacing unit be administratively approved if no objections are received within the cited 20 days, or earlier if waivers are received.

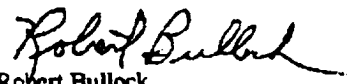
Enclosed are Forms C-101 and C-102, a land plat showing all offset operators and a list of the offset operators.

Yates Petroleum Corporation believes approval of the non-standard spacing unit for the Field APK St. #1 would be in the best interest of conservation and would protect correlative rights for all concerned.

Thank you for your assistance. Please call me at (505) 748-4351 if you need further information.

Very truly yours,

YATES PETROLEUM CORPORATION


Robert Bullock
Landman

RB:mr
Enclosure(s)

1521282900-37-103600

SEP 1996

Received

Hobbs

OCD

COPY

Rob

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
		API Number 30-0
Property Code	Property Name Field APK State	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Lot 10	2	16S	35E		3500	North	1880	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1	Proposed Pool 2
West Lovington Strawn	

Work Type Code	Well Type Code	Cable/Retary	Lease Type Code	Ground Level Elevation
N	O	R	S	3990'
Multiple	Proposed Depth	Formation	Contractor	Spud Date
No	11900'	Strawn	Undesignated	ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	11 3/4"	42#	450'	550 sx	Circulate
11"	8 5/8"	32#	4950'	1050 sx	Circulate
7 7/8"	5 1/2"	15.5# & 17#	TD	1350 sx	Approx. 7100'

" Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Plan to drill and test the Strawn and intermediate formation. Approx. 450' of surface casing will be set and cement circulated to surface. Approx. 4950' of intermediate casing will be set and cement circulated. If commercial production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW Gel, Paper, LCM spud to 450'; Brine to 4950'; Cut brine, starch to 9600'; Salt Gel starch to TD.

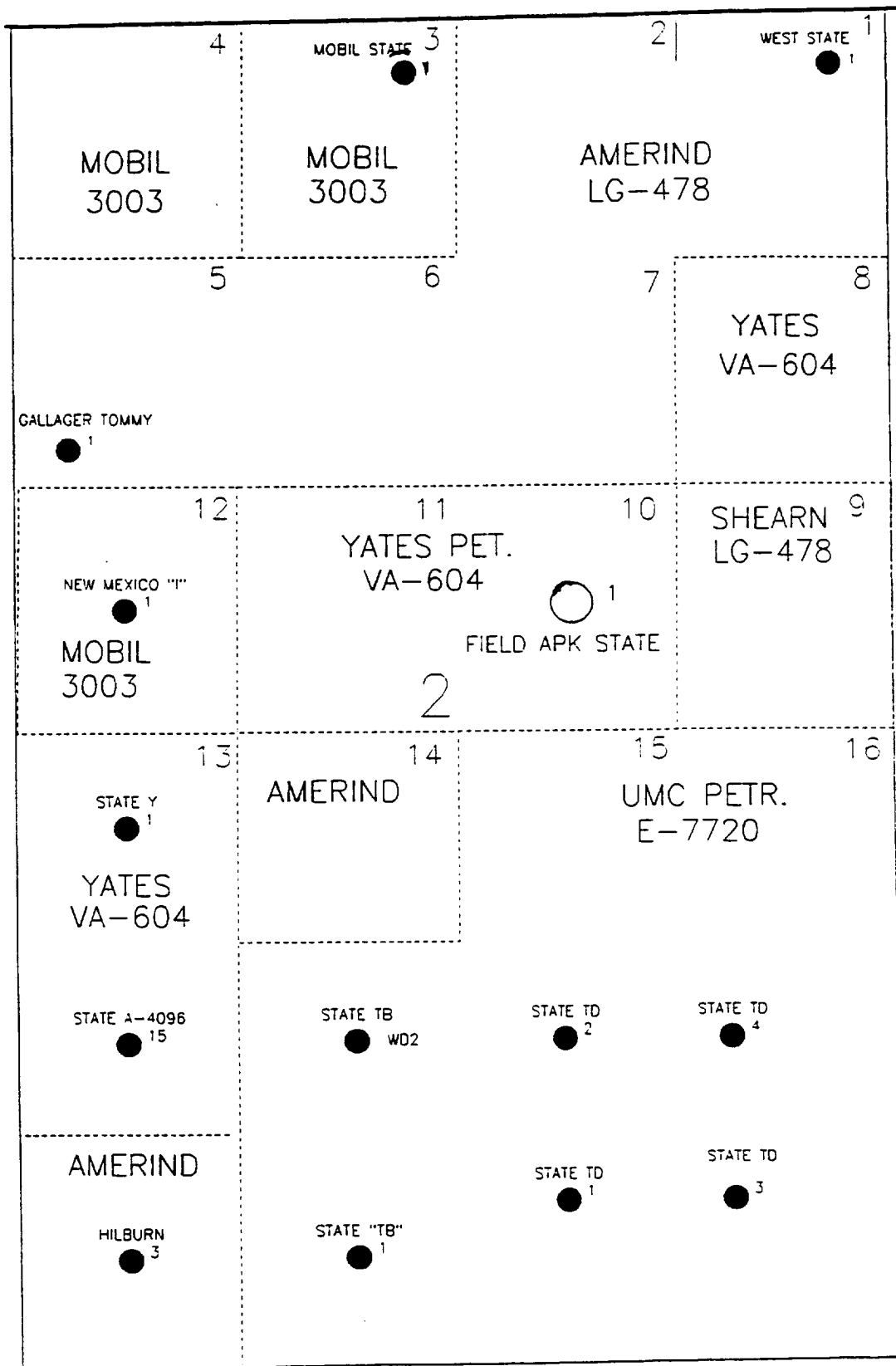
BOPE PROGRAM: BOPE will be installed on the 11 3/4" casing and tested daily for operational.

" I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
Signature: *AN M P M*

OIL CONSERVATION DIVISION

Approved by:

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Yates Petroleum Corporation		
FIELD APK STATE #1 SEC. 2, T16S-R35E 1880' FEL 3500' FNL LEA CO., NM		
LAND: R. BALDWIN	Scale: 1"=1000'	6/28/78
DRAFT: J		APPROVED: J

