

CASE 5869: HARVEY E. YATES COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

Case Number

5869

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 16, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company
for an unorthodox gas well location,
Eddy County, New Mexico.

CASE
5869

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Joel M. Carson, Esq.
LOSEE & CARSON P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

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 Phone (505) 962-9212

1 MR. STAMETS: We will call next Case 5869.

2 MS. TESCHENDORF: Case 5869, application of Harvey E.
3 Yates Company for an unorthodox gas well location, Eddy County,
4 New Mexico.

5 MR. CARSON: Mr. Examiner, my name is Joel Carson,
6 Losee & Carson P.A., Artesia, New Mexico, appearing on behalf
7 of the applicant. I have one witness, Mr. Lattu, who has
8 previously been sworn in Cases Number 5868 and 5846 and whose
9 qualifications have previously been satisfactory in those
10 two cases.

11 MR. STAMETS: The record will reflect that the witness
12 has been sworn and qualified.

13
14 ANDREW LATTU

15 called as a witness, having been previously sworn, was
16 examined and testified as follows:

17
18 DIRECT EXAMINATION

19 BY MR. CARSON:

20 Q Mr. Lattu, would you please briefly state the
21 purpose of this application?

22 A The purpose of the application is to drill an
23 unorthodox location to test the Morrow sands, specifically
24 the location being nine, ninety feet from the south line and
25 two thousand and eighty feet from the east line of Section 36,

1 Township 17 South, Range 26 East, Eddy County, New Mexico.

2 Q And you propose to dedicate the south half of that
3 Section 36 to the proration unit?

4 A Yes.

5 Q And the well name is to be the Big Boggy?

6 A Yes.

7 Q Would you explain to the Hearing Examiner the
8 applicability of that choice of name?

9 A It has turned out to be frustratingly accurate. The
10 first two locations for the well both have been lost to quick-
11 sand caused by the proximity to the river.

12 The first location was sixteen hundred and fifty
13 feet from the east line and the hole was lost. The second
14 location was moved to nineteen, eighty feet from the east line
15 and again the hole was lost in shallow quicksand caused by
16 the proximity to the river. The third and present location is
17 two thousand and eighty feet from the east line and, of course,
18 this well is drilling now, too.

19 Q I refer you to your Applicant's Exhibit Number One
20 and ask if that exhibit was prepared by you or under your
21 supervision?

22 A Yes, it was.

23 Q And what does it purport to show?

24 A It shows the working interest and the proration
25 unit for this test as being in the south half of Section 36, in

1 17, 26.

2 Q And I refer you to Applicant's Exhibit Number Two
3 and ask if that was prepared by you or under your supervision?

4 A It was.

5 Q What does that exhibit purport to show?

6 A This is an isopach of the Lower Morrow C sand zone
7 and it shows the location for this Big Boggy well being located
8 in approximately the center of this sand channel.

9 Q And the principal reason for this application is
10 based on topography, is that correct?

11 A Yes.

12 Q Because you have had these surface problems?

13 A Yes.

14 Q Mr. Lattu, is it your belief that the granting of this
15 application will afford the applicant the opportunity to
16 produce its just and equitable share of gas, that it will
17 prevent economic loss caused by the drilling of unnecessary
18 wells, will avoid the augmentation of risk arising from the
19 drilling of an excessive number of wells and otherwise prevent
20 waste and protect correlative rights?

21 A I do.

22 MR. CARSON: We would like to move the introduction
23 of these exhibits, Mr. Examiner.

24 MR. STAMETS: These exhibits will be admitted.
25

1 (THEREUPON, Applicant's Exhibits One and
2 Two were admitted into evidence.)
3

4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q It would appear that this would be a standard
7 location for a normal Pennsylvanian test and apparently the
8 problem is with the Atoka-Pennsylvanian special pool rules in
9 the quarter section in which the well is to be located?

10 A I believe that's correct.

11 Q And the Docket called this Well No. 1 but I presume
12 since there are already two other wells that it may have some
13 letter tagged to it by this time?

14 A I don't know, I don't believe it does but the two
15 other wells did not reach a depth of more than a hundred and
16 some feet before the hole caved in and we started losing the
17 ground around the rig platform actually.

18 Q In any event, the location was to be approved here
19 and not the well number?

20 A Yes, sir.

21 MR. STAMETS: Are there any questions of the witness?

22 He may be excused.

23 (THEREUPON, the witness was excused.)

24 MR. STAMETS: Is there anything further in this case?

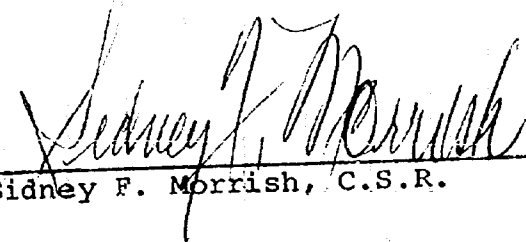
25 We will take the case under advisement.

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Phone (505) 982-9212

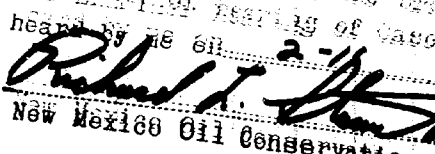
REPORTER'S CERTIFICATE

1
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.

8
9 
10 Sidney F. Morrish, C.S.R.

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 932-9212

11
12
13
14 I do hereby certify that the foregoing is
15 a true and correct record of the proceedings in
16 the hearing of Case No. 5862
17 heard by me on 2-7-77
18 
19 Examiner
20 New Mexico Oil Conservation Commission
21
22
23
24
25



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
March 16, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Joel Carson
Losee & Carson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: CASE NO. 5869
ORDER NO. R-5382

Applicant:

Harvey E. Yates Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5869
Order No. R-5382

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 16, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks
approval of an unorthodox gas well location for its Big Boggy
Well No. 1Y to be drilled 990 feet from the South line and
2080 feet from the East line of Section 36, Township 17 South,
Range 26 East, NMPM, to test Wolfcamp and Pennsylvanian
formations, Atoka Pennsylvanian Gas Pool, Eddy County, New
Mexico.

(3) That the S/2 of said Section 36 is to be dedicated
to the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration
unit.

(5) That no offset operator objected to the proposed
unorthodox location.

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Case No. 5869
Order No. R-5382

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for Wolfcamp and Pennsylvanian formations is hereby approved for The Harvey E. Yates Company Big Boggy Well No. 1Y to be drilled at a point 990 feet from the South line and 2080 feet from the East line of Section 36, Township 17 South, Range 26 East, NMPM, Atoka Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 36 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

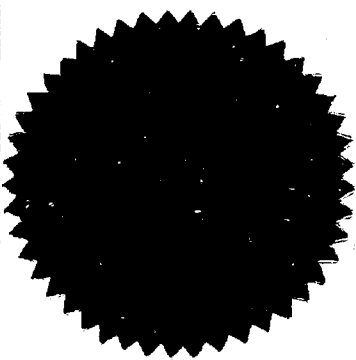
DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary


S E A L

dr/

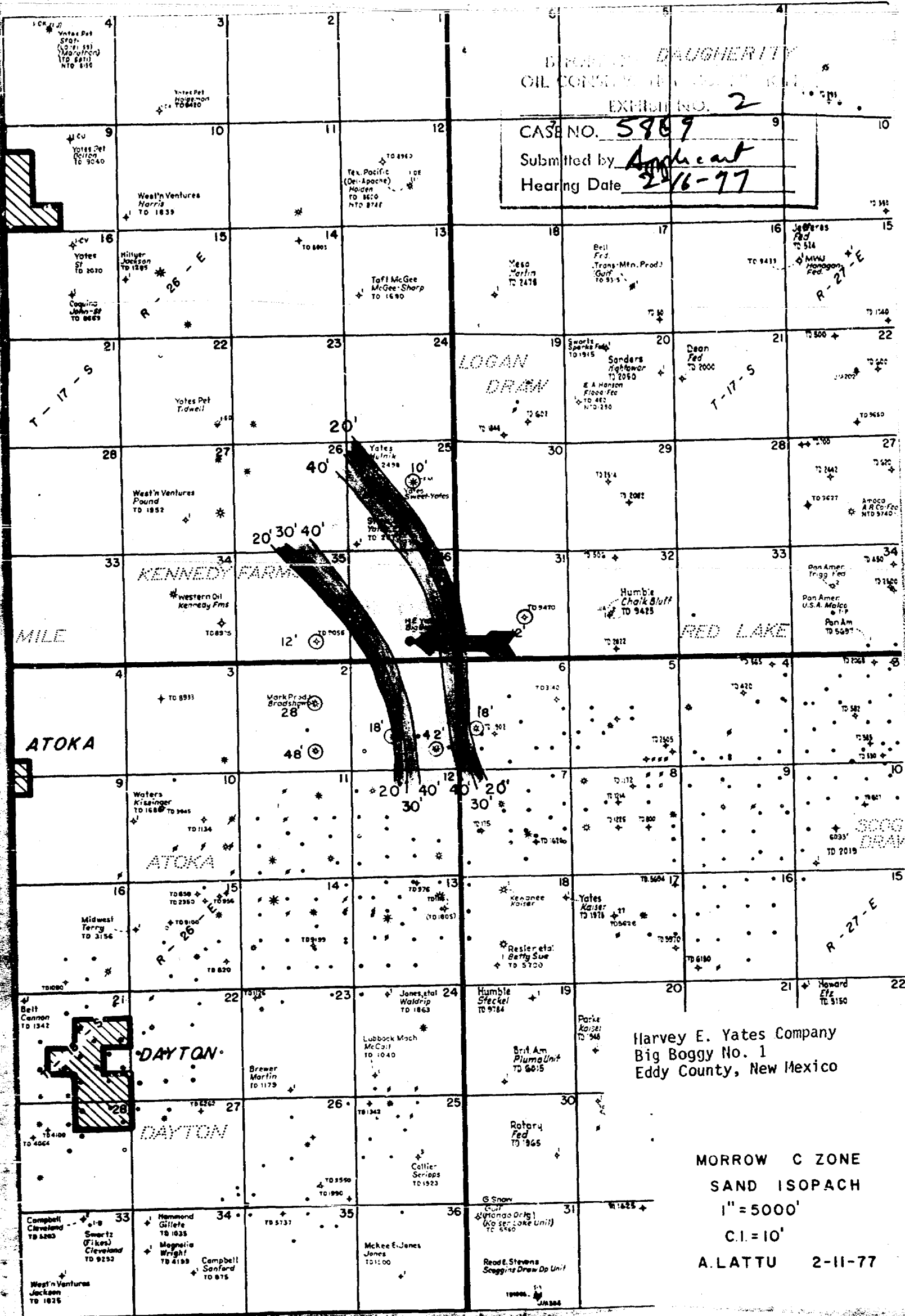
[illegible]

DAUGHTERLY OIL COMPANY

EXHIBIT NO. 2

CASE NO. 5989

Submitted by Applicant
Hearing Date 2/16-77



Harvey E. Yates Company
Big Boggy No. 1
Eddy County, New Mexico

MORROW C ZONE
SAND ISOPACH
1" = 5000'
C.I. = 10'
A.LATTU 2-11-77

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF HARVEY E. YATES COMPANY FOR : CASE NO. 5869
UNORTHODOX GAS WELL LOCATION, ATOKA :
PENNSYLVANIAN POOL, EDDY COUNTY, :
NEW MEXICO. :
_____ :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY, by its attorneys,
and in support hereof, respectfully states:

1. That applicant is an operator of a majority
of the interest in the Pennsylvanian formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 36: S/2

Atoka Pennsylvanian Pool, Eddy County, New Mexico.

2. Applicant proposes to drill its Big Boggy No. 1
Well at a location ²⁰⁸⁰~~1,980~~ feet from the East line and 990 feet
from the South line of said Section 36 and to dedicate the
S/2 of said Section 36 to the well.

3. Applicant seeks an exception to the well location
requirement of the Atoka Pennsylvanian Special Pool Rules
to permit the drilling of the well at the above mentioned
unorthodox location to a depth sufficient to adequately test
the Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising
the S/2 of said Section 36 be dedicated to the Big Boggy No. 1
Well.

5. That the approval of this application will afford the applicant the opportunity to produce its just and equitable share of gas, 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 set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting applicant permission to drill its Big Boggy No. 1 Well at the above mentioned unorthodox location and to dedicate the S/2 of said Section 36 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

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

HARVEY E. YATES COMPANY

By: 

A. J. Losee

LOSEE & CARSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Docket No. 7-77

Dockets Nos. 8-77 and 9-77 are tentatively set for hearing on March 9 and March 23, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - FRIDAY - FEBRUARY 11, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following case will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5872: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the suspension of Rules 15(A) and 15(B) of the General Rules for Prorated Gas Pools as promulgated by Order No. R-1670, as amended, to permit overproduced wells to continue to produce gas during the present severe weather conditions without danger of being shut in for overproduction.

Docket No. 6-77

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 16, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) Consideration of the allowable production of gas for March, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1977, for both of the above areas.

CASE 5856: Application of Amoco Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Gas Com "F" 1-R Well No. 1A to be drilled 1244 feet from the South line and 820 feet from the East line of Section 33, Township 30 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico.

CASE 5857: Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5858: Application of Union Oil Company of California for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the North Quail Ridge-Morrow Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.

CASE 5859: (This case will be continued and readvertised.)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Basin-Dakota and Blanco-Mesaverde production in the wellbore of its Breech D Well No. 307 located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5860: Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the open hole interval from 4176 feet to 5500 feet of its Hobbs SWD Well No. P-16, located in Unit P of Section 16, Township 19 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

- CASE 5861:** Application of Hanson Oil Corporation for a salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open hole interval from 1926 to 1978 feet in its Sulphate Sister Well No. 1, located in Unit E of Section 13, Township 25 South, Range 26 East, Eddy County, New Mexico.
- CASE 5862:** Application of Palmer Oil and Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 1 Well No. 1 located 1525 feet from the South line and 820 feet from the East line of Section 1, Township 31 North, Range 13 West, Blanco Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- CASE 5863:** Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.
- CASE 5864:** Application of Agua, Inc. for the amendment of Order No. R-5137, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the further amendment of Order No. R-5137, which authorized the disposal of produced salt water into the San Andres formation through the open-hole interval from approximately 4000 feet to 5000 feet in applicant's Blinbry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Blinbry-Drinkard-Langlie Mattix Area, Lea County, New Mexico. Said order, as amended, limited surface injection pressures to 800 psi, and applicant seeks its amendment to permit surface injection pressures up to 1500 psi.
- CASE 5865:** Application of Inexco Oil Co. for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.
- CASE 5866:** Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 5867:** Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in completion of said well.
- CASE 5820:** (Continued from the February 2, 1977, Examiner Hearing.)
- Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5868:** Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Travis Deep Unit Well No. 1 to be drilled 1980 feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, the S/2 of said Section 18 to be dedicated to the well.
- CASE 5846:** (Continued and Readvertised)
- Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire South Deep Unit Well No. 13 to be drilled 660 feet from the South line and 1432 feet from the West line of Section 30, Township 17 South, Range 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 5869: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Big Boggy Well No. 1 to be drilled 990 feet from the South line and 2080 feet from the East line of Section 36, Township 17 South, Range 26 East, Atoka Pennsylvanian Gas Pool, Eddy County, New Mexico, the S/2 of said Section 36 to be dedicated to the well.

CASE 5870: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Maljamar Deep Unit Well No. 2 to be drilled 990 feet from the South line and 1980 feet from the West line of Section 30, Township 17 South, Range 32 East, Lea County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 5871: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Friendly Frenchman Well No. 1 to be drilled 1005 feet from the South line and 660 feet from the East line of Section 32, Township 16 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.

CASE 5810: (Continued from the February 2, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.

CASE 5847: (Continued from the February 2, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Gossett "EU" Well No. 1, located in Unit K of Section 26, Township 17 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from the Lower Wolfcamp or Upper Pennsylvanian and the Lower Pennsylvanian formations through the casing-tubing annulus and tubing, respectively.

CASE 5848: (Continued from the February 2, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Pipkin HE Well No. 1 to be drilled 660 feet from the South and West lines of Section 4, Township 18 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5869

Order No. R- 5382

APPLICATION OF HARVEY E. YATES COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 16, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of February, 1977, the Commission,
a quorum being present, 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
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks
for its Big Boggy Well No. 17 to be drilled
approval of an unorthodox gas well location/ 990 feet from the South
line and 2080 feet from the East line of Section 36, Township
17 South, Range 26 East, NMPM, to test the Wolfcamp
and Pennsylvania formation, Atoka Pennsylvanian Gas Pool,
Eddy County, New Mexico.

(3) That the S/2 of said Section 36 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

IT IS THEREFORE ORDERED:

The Harvey E. Yates Company (1) That an unorthodox gas well location for ~~the Wolfcamp and Pennsylvanian~~ ~~applicant's~~ Big Boggy Well No. 1 ~~to be drilled~~ ~~formation~~ is hereby approved for ~~A well to be located~~ at a point 990 feet from the South line and 2080 feet from the East line of Section 36, Township 17 South, Range 26 East NPM, ~~Atoka Pennsylvanian Gas~~ Pool, Eddy County, New Mexico. *OK*

(2) That the S/2 of said Section 36 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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