

Entered October 4, 1983
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7934
Order No. R-3169-B

APPLICATION OF YATES PETROLEUM
CORPORATION FOR INFILL FINDINGS AND
AMENDMENT OF ORDERS R-3169 AND
R-3169-A, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 17, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of October, 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, Yates Petroleum Corporation, seeks a determination that 90 wells drilled as second or subsequent wells on proration units in the Eagle Creek-San Andres Pool, Eddy County, New Mexico, were infill wells necessary for the effective and efficient drainage of reserves under the appropriate proration unit.
- (3) That the applicant further seeks the amendment of Division Order Nos. R-3169 and R-3169-A for the Eagle Creek-San Andres Pool, to permit the optional drilling and production of more than one well on a proration unit therein, such wells being necessary to effectively and efficiently drain the reserves under any affected proration unit.
- (4) That the Eagle Creek-San Andres Pool in Eddy County, New Mexico, was discovered on May 23, 1959.
- (5) That the applicant operates all but six of the approximately 150 wells in said pool.

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(6) That the majority of the applicant's acreage has been developed to a density of one well per each 10 acres through infill drilling.

(7) That while the standard proration unit for the Eagle Creek-San Andres Pool is 40 acres, the Division's general rules permitted the drilling of a total of four wells per unit.

(8) That after February 19, 1977, the applicant drilled a total of 90 infill wells in said pool as shown on Exhibit "A" attached to this order.

(9) That the evidence presented in this case demonstrates that the San Andres pay zones are tight and discontinuous throughout said pool.

(10) That on July 1, 1983, the Division entered Order No. R-3169-A authorizing the drilling of a fifth well on each proration unit in said pool.

(11) That the evidence presented in this case demonstrates that substantial additional reserves of oil and gas will be recovered from the 90 infill wells shown on said Exhibit "A" and from infill wells drilled as a result of said Order No. R-3169-A.

(12) That the evidence presented demonstrated that the 90 infill wells shown on said Exhibit "A" were necessary for the effective and efficient drainage of reserves under the proration unit wherein each such well is located.

(13) That the evidence presented demonstrated that any infill well drilled pursuant to said Order No. R-3169-A is necessary for the effective and efficient drainage of reserves under the proration unit wherein any such well is located.

(14) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the 90 infill wells drilled by the applicant, Yates Petroleum Corporation, and described on Exhibit "A" attached to this order, are hereby found to be necessary for the effective and efficient drainage of reserves underlying the proration unit wherein any such well is located, all within the Eagle Creek-San Andres Pool, Eddy County, New Mexico.

(2) That the authorization for the drilling of a fifth well on proration units within said pool as authorized by Division Order No. R-3169-A is hereby affirmed and any such

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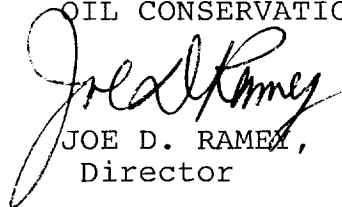
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wells are hereby found to be necessary for the effective and efficient drainage of reserves underlying the proration unit wherein any such well is located within said Eagle Creek-San Andres Pool.

(3) 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
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

NINETY EAGLE CREEK-SAN ANDRES
INFILL WELLS
ALL IN
TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>UNIT LETTER</u>	<u>SECTION</u>
Achen Frey "DM"	7	L	13
Achen Frey "DM"	8	I	14
Achen Frey "DM"	9	I	14
Achen Frey "DM"	10	L	13
Donegan "CE"	2	J	28
Eagle Creek "BL"	3	N	23
Eagle Creek "BL"	4	N	23
Federal "BQ"	5	D	27
Federal "BQ"	6	C	27
Federal "BQ"	8	C	27
Federal "BQ"	9	D	27
Federal "BW"	9	O	22
Federal "BW"	10	O	22
Federal "BW"	11	N	22
Federal "BW"	12	P	22
Federal "BW"	13	P	22
Federal "BW"	14	N	22
Federal "BW"	15	M	22
Federal "BW"	16	M	22
Federal "BX"	2	G	27
Federal "BZ"	17	P	21
Federal "BZ"	18	P	21
Federal "BZ"	19	B	28
Federal "BZ"	20	B	28
Federal "BZ"	22	A	28
Federal "BZ"	23	A	28
Federal "LDY"	5	E	27
Federal "LDY"	6	F	27
Federal "LDY"	7	F	27
Federal "LDY"	8	E	27
Federales "BO"	7	B	22
Federales "BO"	8	D	23
Federales "BO"	9	A	22
Federales "BO"	11	D	23
Federales "BO"	12	A	22
Federales "BO"	13	B	22
Gissler "AV"	16	E	23
Gissler "AV"	17	C	23
Gissler "AV"	18	F	23
Gissler "AV"	19	L	23
Gissler "AV"	20	F	23
Gissler "AV"	21	E	23
Gissler "AV"	22	G	23
Gissler "AV"	23	G	23
Gissler "AV"	24	K	23
Gissler "AV"	25	K	23
Gissler "AV"	26	L	23
Gissler "AV"	27	C	23

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>UNIT LETTER</u>	<u>SECTION</u>
Gissler "AV"	28	G	23
Gissler "AV"	29	K	23
Gissler "AV"	30	M	23
Gissler "AV"	31	M	23
Gissler "AV"	32	B	23
Gissler "AV"	33	B	23
Gissler "AV"	34	B	23
Ingram Jackson "BV"	8	B	27
Ingram Jackson "BV"	9	B	27
Ingram Jackson "BV"	10	A	27
Ingram Jackson "BV"	11	A	27
J Lazy J	14	I	22
J Lazy J	15	I	22
J Lazy J	16	J	22
J Lazy J	17	J	22
Jackson "AT"	10	J	14
Jackson "AT"	11	J	14
Jackson "AT"	12	N	14
Jackson "AT"	13	O	14
Jackson "AT"	14	N	14
Jackson "AT"	15	O	14
Jackson "AT"	16	K	14
Jackson "AT"	17	M	14
Jackson Estate "BY"	10	F	22
Jackson Estate "BY"	11	F	22
Jackson Estate "BY"	12	L	22
Jackson Estate "BY"	13	L	22
Jackson Estate "BY"	14	K	22
Jackson Estate "BY"	15	K	22
Jackson Estate "BY"	16	E	22
Johnson "FE"	3	A	23
Johnson "FE"	4	A	23
McCaw "BT"	6	H	14
Mitchell "IN"	3	J	23
Mitchell "IN"	4	I	23
Mitchell "IN"	5	J	23
Morris Estate "CC"	5	M	14
Morris Estate "CC"	6	M	14
Morris Estate "CC"	7	P	15
Winters "DN"	2	P	14
Winters "DN"	3	P	14
Winters "DN"	4	P	14

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EXHIBIT "A"

