

Entered February 20, 1979
JLR

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. 6232 DE NOVO
Order No. R-5832-A

APPLICATION OF YATES PETROLEUM
CORPORATION 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 7, 1979, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of February, 1979, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Cities "JG" Well No. 1 to be located 660 feet from the South line and 660 feet from the East line of Section 13, Township 18 South, Range 24 East, NMPM, Fordinkus Field, Eddy County, New Mexico.

(3) That upon receipt of the application of Yates Petroleum Corporation in this matter, the same was set for hearing on May 17, 1978, before Examiner Richard L. Stamets.

(4) That subsequent to said hearing the Commission entered Order No. R-5832 approving the unorthodox location of said well for the Morrow formation.

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(5) That subsequent to the entry of said Order No. R-5832, Gulf Oil Corporation, an offset operator, filed timely application for hearing De Novo of Case No. 6232, and the matter was set for hearing before the Commission.

(6) That the matter came on for hearing De Novo on February 7, 1979.

(7) That on the date of said De Novo hearing, applicant had completed said Cities "JG" Well No. 1 as a dry hole in the Morrow formation and as a producing well in a wildcat Mississippian gas pool.

(8) That at said De Novo hearing Gulf Oil Corporation withdrew its objection to the unorthodox location of said well.

(9) That no other offset operator objected to the unorthodox location of said well.

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

(11) 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.

(12) That Division Order No. R-5832, which approved an unorthodox location for the subject well in the Morrow formation, subject to certain restrictions, should be rescinded.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Mississippian formation is hereby approved for the Yates Petroleum Corporation Cities "JG" Well No. 1 located at a point 660 feet from the South line and 660 feet from the East line of Section 13, Township 18 South, Range 24 East, NMPM, Eddy County, New Mexico.

(2) That the E/2 of said Section 13 shall be dedicated to the above-described well.

(3) That Division Order No. R-5832 is hereby rescinded.

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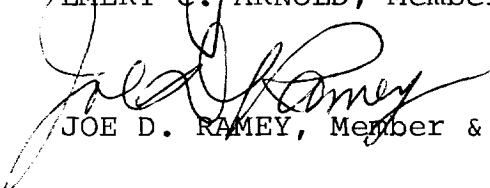
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ALEX J. ARMIJO, Member


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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