

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 11037
ORDER NO. R-10166

**APPLICATION OF YATES ENERGY CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION AND NON-STANDARD GAS PRORATION UNIT, EDDY
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 4, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of August, 1994, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Energy Corporation, seeks approval to drill its McGruder Hill "12" Federal Com Well No. 1 at an unorthodox gas well location 1680 feet from the South line and 330 feet from the West line (Lot 5 - Unit L) of Irregular Section 12, Township 22 South, Range 25 East, NMPM, Eddy County, New Mexico, to test the Undesignated Revelation-Morrow Gas Pool. Lots 4, 5, 6 and 7 and the SE/4 (S/2 equivalent) of said Section 12 is to be dedicated to said well to form a non-standard 332.74-acre gas spacing and proration unit for said pool.

(3) Prior to the hearing, the Division issued Administrative Order NSL-3407, which granted the subject application.

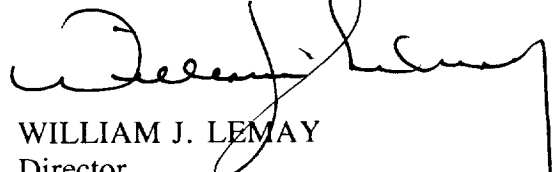
(4) This case should be therefore dismissed.

IT IS THEREFORE ORDERED THAT:

Case No. 11037 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L