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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. 3454
Order No. R-3140-A

APPLICATION OF YATES PETROLEUM CORPORATION
FOR POOL CONSOLIDATION AND EXTENSION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 9 a.m. on December 16, 1966, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of December, 1966, 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 after an examiner hearing, Commission Order No. R-3140, dated October 20, 1966, was entered consolidating the Four Mile Draw-San Andres and Penasco-San Andres Pools into the Penasco Draw San Andres-Yeso Pool, designating the horizontal and vertical limits of the Penasco Draw San Andres-Yeso Pool, and denying the application for open hole completion of wells in said pool throughout the lower San Andres and Yeso pay with a single string of casing set at the top of the pay.

(3) That the applicant, Yates Petroleum Corporation, requested and was granted a hearing de novo before the Oil Conservation Commission.

(4) That in the subject hearing de novo, Yates Petroleum Corporation requested that Commission Order No. R-3140 be modified by deleting any express or implied requirement that more than one

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single string of casing be set at the top of the pay for wells in the Penasco Draw San Andres-Yeso Pool.

(5) That the completion of oil wells in the Roswell Artesian (underground water) Basin without an oil production casing string and a separate water protection casing string, both properly cemented, does not provide adequate protection to the underground fresh waters.

(6) That in order to ensure that the Roswell Artesian (underground water) Basin is not damaged, permission to complete wells in the aforesaid pool throughout the lower San Andres and Yeso pay with a single string of casing set at the top of the pay as requested by the applicant should not, under the Commission's obligation to protect fresh waters of the state of New Mexico, be granted and, therefore, applicant's request to modify Order No. R-3140 by deleting any express or implied requirement that more than one single string of casing be set at the top of the pay for wells in the Penasco Draw San Andres-Yeso Pool should be denied and said Order No. R-3140 should be reaffirmed in its entirety.

IT IS THEREFORE ORDERED:

(1) That the application of Yates Petroleum Corporation to modify Order No. R-3140 by deleting any express or implied requirement that more than one single string of casing be set at the top of the pay for wells in the Penasco Draw San Andres-Yeso Pool is hereby denied and said Order No. R-3140 is hereby reaffirmed in its entirety.

(2) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

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