

Entered September 6, 1977
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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. 6020
Order No. R-5527

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 August 31, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Blevins "I-K" Well No. 1 to be drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 35 is to be dedicated to the well.

(4) That the legal notice for this case described the proposed unorthodox location for the subject well as being 660 feet from the North line and 660 feet from the West line of said Section 35.

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(5) That the discovery of certain agricultural appurtenances at said location makes it advisable to move the proposed well site to the point described in Finding No. (2) above.

(6) That inasmuch as the amended location is closer to a standard location than the advertised location, and is therefore less unorthodox, the applicant should be permitted to amend the location without further notice and hearing.

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

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

(9) 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 the Morrow formation is hereby approved for Yates Petroleum Corporation Blevins "I-K" Well No. 1 to be drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

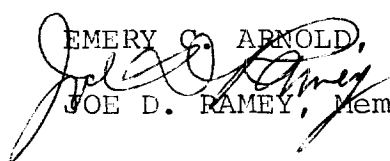
(2) That the N/2 of said Section 35 shall be dedicated to the above-described well.

(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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

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