

Entered April 4, 1978
Jdk

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. 6181
Order No. R-5683

APPLICATION OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 22, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of April, 1978, 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 well location for its Rio Pecos "GB" Well No. 2 to be located 1980 feet from the South line and 1100 feet from the West line of Section 20, Township 18 South, Range 27 East, NMPM, to test Wolfcamp and Pennsylvanian formations, Red Lake Field, Eddy County, New Mexico.

(3) That the S/2 of said Section 20 is to be dedicated to the well.

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

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

(6) 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.

-2-

Case No. 6181
Order No. R-5683

IT IS THEREFORE ORDERED:

(1) That an unorthodox well location for Wolfcamp and Pennsylvanian formations is hereby approved for the Yates Petroleum Corporation Rio Pecos "GB" Well No. 2 to be located at a point 1980 feet from the South line and 1100 feet from the West line of Section 20, Township 18 South, Range 27 East, NMPM, Red Lake Field, Eddy County, New Mexico.

(2) That the S/2 of said Section 20 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 Oil Conservation Division of the New Mexico Energy and Minerals Department may deem necessary.

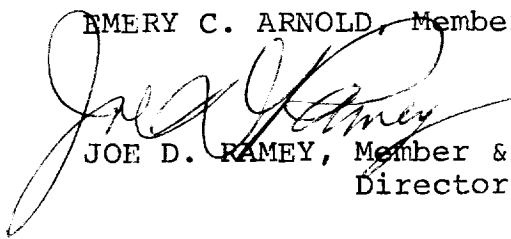
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Division
Director

S E A L

jr/