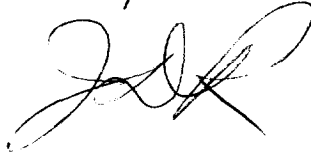


Entered April 11, 1978



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. 6192
Order No. R-5697

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division
Director, 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 Division 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 Federal "DC"
Well No. 1 to be located 1980 feet from the South line and 660
feet from the West line of Section 29, Township 20 South, Range
28 East, NMPM, to test the Morrow formation, Burton Flat-Morrow
Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 29 is to be dedicated to
the well.

(4) That said unorthodox location results from the re-entry
of a previously drilled dry hole.

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

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(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.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Yates Petroleum Corporation Federal "DC" Well No. 1 to be located at a point 1980 feet from the South line and 660 feet from the West line of Section 29, Township 20 South, Range 28 East, NMPM, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 29 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 Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

jr/