Entered Leptember 20, 1938 =AR

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. 6322 Order No. R-5809

APPLICATION OF YATES PETROLEUM CORPORATION FOR POOL CONTRACTION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>20th</u> day of September, 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 the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

> EDDY COUNTY, NEW MEXICO TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM Sections 28 and 29: All

(3) That in the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

(4) The Special Rules and Regulations for the Empire-Pennsylvanian Gas Pool promulgated by Order No. R-3529 entered October 22, 1968, differ from current Division Rules and Regulations and policies only in their provisions for specified well locations. -2-Case No. 6322 Order No. R-5809

(5) That the applicant and the only operator of wells in said pool requested that the application in this case be amended to provide for the rescission of the Special Rules and Regulations for said Empire-Pennsylvanian Gas Pool.

(6) That, provided the locations of all wells currently completed within said Empire-Pennsylvanian Gas Pool are approved, the effect of granting an order in conformance with the proposed amended application would be the same as granting applicant's alternative application.

(7) That the application should be amended to provide for rescission of said special rules and regulations.

(8) That the locations of all wells currently completed within said Empire-Pennsylvanian Gas Pool should be approved.

(9) That the application for rescission of the Special Rules and Regulations for the Empire-Pennsylvanian Gas Pool should be approved.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, as promulgated by Order No. R-3529 entered October 22, 1968, are hereby rescinded.

PROVIDED HOWEVER, that the location of any well completed in said Empire-Pennsylvanian Gas Pool prior to the effective date of this order is hereby approved.

(2) 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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Atrici 721 JOE D. RAMEY, Director

SEAL

dr/