

Entered June 18, 1980
JLR

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. 6920
Order No. R-6384

APPLICATION OF YATES PETROLEUM
CORPORATION FOR A DUAL COMPLETION
AND UNORTHODOX WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 1980, 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
authority to complete its 5 Mile Draw Federal "LX" Well No. 1,
located in Unit 0 of Section 34, Township 6 South, Range 25 East,
NMPM, Chaves County, New Mexico, as a dual completion
(conventional) to produce gas from the Abo formation through
the casing-tubing annulus and gas from the Pennsylvanian forma-
tion through 2 7/8-inch tubing, with separation of the zones to
be achieved by means of a packer set at approximately 4600 feet.

(3) That the applicant also seeks approval for the unortho-
dox location of said well in the Abo formation 800 feet from the
South line and 2100 feet from the East line of said Section 34.

(4) That the mechanics of the proposed dual completion
are feasible and in accord with good conservation practices.

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(5) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to complete its 5 Mile Draw Federal "LX" Well No. 1, located in Unit O of Section 34, Township 6 South, Range 25 East, NMPM, Chaves County, New Mexico, as a dual completion (conventional) to produce gas from the Abo formation through the casing-tubing annulus and gas from the Pennsylvanian formation through 2 7/8-inch tubing set in a packer located at approximately 4600 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

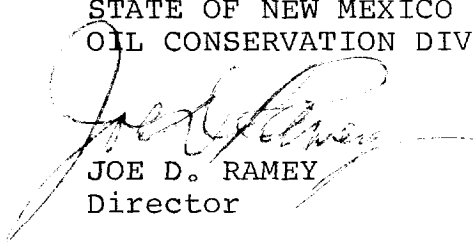
PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Gas Well Shut-In Pressure Test Period for Southeast New Mexico.

(2) That approval is hereby given for the unorthodox location of said well in the Abo formation 800 feet from the South line and 2100 feet from the East line of said Section 34, the SE/4 of the section to be dedicated to the well in the Abo.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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