

Entered June 25, 1981
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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. 7263
Order No. R-6714

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF
ORDER NO. R-5527, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 17, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of June, 1981, 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 Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IK" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations, Eddy County, New Mexico.

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

(4) That said well was completed in the Morrow formation at said unorthodox location but is now depleted, and applicant proposes to attempt to recomplete the well in the shallower Pennsylvanian pay zones and possibly in the Wolfcamp.

(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:

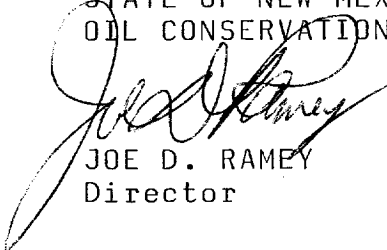
(1) That Ordering Paragraph No. (1) of Division Order No. R-5527, dated September 6, 1977, is hereby amended to read in its entirety as follows:

"(1) That an unorthodox gas well location for the Wolfcamp formation and all zones in the Pennsylvanian formation is hereby approved for the Yates Petroleum Corporation Blevins "I-K" Well No. 1, 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 Field, Eddy County, New Mexico."

(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


JOE D. RAMEY
Director

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