

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVA-
TION DIVISION FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 9627
Order No. R-8906

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 29, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 12th day of April, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Petroleum Corporation, seeks approval for an unorthodox gas well location for its Lightcap "YR" Well No. 1 located 330 feet from the North and East lines (Unit A) of Section 25, Township 7 South, Range 29 East, NMPM, Chaves County, New Mexico.

(3) The applicant further proposes to dedicate a standard 160-acre gas spacing and proration unit to the above-described well consisting of the NE/4 of said Section 25.

(4) The evidence presented indicates that the subject well, which was drilled in 1984 at a standard oil well location in anticipation of an oil completion, was drilled to a total depth of approximately 3400 feet, was tested in the San Andres formation, and has been shut-in until the present time.

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(5) Completion and testing data presented by the applicant at the hearing indicates that the subject well should be classified as a gas well.

(6) Division records indicate that the closest San Andres Oil Pools are located approximately three miles southeast and northeast of the subject well.

(7) The applicant is the operator of the affected acreage to the north of the subject well, and no other offset operator appeared at the hearing in opposition to the proposed unorthodox gas well location.

(8) 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 THAT:

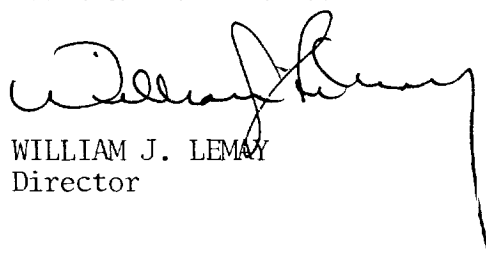
(1) The application of Yates Petroleum Corporation for an unorthodox gas well location for its Lightcap "YR" Well No. 1 located 330 feet from the North and East lines (Unit A) of Section 25, Township 7 South, Range 29 East, NMPM, Wildcat San Andres Gas Pool, Chaves County, New Mexico, is hereby approved.

(2) The NE/4 of said Section 25 shall be dedicated to the above-described well.

(3) 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


WILLIAM J. LEMAY
Director

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