$\begin{array}{c} & \underline{\text{CASE 5772:}} & \underline{\text{YATES PETROLEUM CORP.}} \\ & \overline{\text{FOR AN UNORTHODOX LOCATION, EDDY}} \\ & \underline{\text{COUNTY, NEW MEXICO}} \end{array}$ 

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CASE NO.

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APPliCation, Transcripts, Small Exhibits,

ETC.



# **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501



DIRECTOR JOE D. RAMEY LAND COMMISSIONER PHIL R. LUCERO October 28, 1976

Mr. Joel Carson Losee & Carson Attorneys at Law Post Office Box 239 Artesia, New Mexico 88210

Applicant:

ORDER NO. R-5304

CASE NO.

Yates Petroleum Corporation

5772

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Re:

Yours very truly, JOE D. RAMEY Director

## JDR/fd

Copy of order also sent to:

Hobbs OCC	x
Artesia OCC	X
Aztec OCC	

Other\_

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 5772 Order No. R-5304

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

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>27th</u> day of <u>October</u>, 1976, the Commission, a quorum being present, 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 Commission 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 "BZ" Well No. 16 to be drilled 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, to test the Morrow formation.

(3) That the N/2 of said Section 28 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(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. -2-Case No. 5772 Order No. R-5304

# IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for applicant's Federal "BZ" Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

(2) That the N/2 of said Section 28 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 Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

jr/

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL\_R LUCERO, Chairman

enne Can

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

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	1 2 3	NEW MEXICO OIL CO Santa Fe	ORE THE NSERVATION COMMISSI , New Mexico er 29, 1976	ON
	4	ΝΕΜΑΧΈ	ER HEARING	
	5 6	IN THE MATTER OF:	)	
	7	Application of Yates Pe tion for an unorthodox Eddy County, New Mexico	location, )	CASE 5772
<b>HELVICE</b> lee Mexico 87501	9	BEFORE: Daniel S. Nutter, Ex	) aminer	
<b>ing service</b> 18 Service 5, New Mexico 8	10 11		PT OF HEARING	
<b>h reporti</b> ourt Reporti 122, Santa Fe te (505) 982-	12 13	APPE	ARANCES	
<b>sid morrish</b> <i>ceneral Co</i> Calle Mejia, No. 13	14 15	For the New Mexico Oil Conservation Commission:	William F. Carr, Legal Counsel for State Land Office Santa Fe, New Me	the Commission Building
825	16 17	For the Applicant:	Joel M. Carson, H LOSEE & CARSON, H Attorneys at Law	-
	18 19		300 American Home Artesia, New Mexi	
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	1	<u>L N D E X</u>			
	2				Page
	3	RAY BECK			
	4	Direct Examination by Mr. Carson			3
	5	Cross Examination by Mr. Nutter			6
	6				
	7				
	8				
109	9	EXHIBIT INDEX			
<b>Service</b> Mexico 87501	10			Offered	Admitted
<b>BELVICE</b> <i>ervice</i> ew Mexico 8'	11	Yates' Exhibit One, Land Plat		4	6
<b>morrish reporting</b> <i>General Court Reporting Se</i> dejia, No. 122, Santa Fe, Nei Phone (505) 982-9212	12	Yates' Exhibit Two, Map		4	6
<b>repc</b> <i>urt Rep.</i> 2, Sant (505) 9	13	Yates' Exhibit Three, Cross Section		6	6
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	1	MR. NUTTER: We will call Case Number 5772.
	2	MR. CARR: Case 5772, application of Wates Petroleum
	3	Corporation for an unorthodox location, Eddy County, New Mexico
	4	MR. CARSON: Mr. Examiner, my name is Joel Carson,
	5	Losee and Carson, P.A., Artesia, appearing on behalf of the
	6	applicant and I have one withness, Mr. Ray Beck, who has
	7	previously been sworn.
	8	MR. NUTTER: Mr. Beck is still under oath.
501	9	
y Service New Mexico 87501 0212	10	RAY BECK
Service New Mi 12	11	called as a witness, having been previously sworn, was
rporting nta Fe, 1 982-92	12	examined and testified as follows:
ourt Re 22, Sa le (505)	13	
eneral C ia, No. 1 Phor	14	DIRECT EXAMINATION
825 Calle Mejia, No. Pho	15	BY MR. CARSON:
825 C	16	0. Would you state your name, please?
	17	A. Ray Beck.
	18	0 Mr. Beck, you are the same person who previously
	19	testified in Case Number 5771?
	20	A. Yes, sir.
	21	Q. And your qualifications have previously been
	22	acceptable to the Commission, have they not?
	23	A. Yes.
	24	0. Would you state to the Examiner the purpose of the
	25	application in Case Number 5772?
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In Case 5772 Yates Petroleum Corporation requests 2 approval of the unorthodox Morrow gas well location of its No. 16 Vederal BZ Well to be drilled nineteen, eighty from the 3 north and six, sixty from the east line of Section 28, Township 5 17 South, Range 26 East, Eddy County, New Mexico. The north half of said Section 28 will be dedicated to the well. 6 7 0. Mr. Beck, I refer you to Applicant's Exhibit Number One and ask if that exhibit was prepared by you or under your 8 supervision? 9 It was prepared by me. 10 A. Ç. Mr. Beck, would you explain to the Hearing Examiner 11 for the record what that Exhibit purports to show? 12 Exhibit Number One is a land plat showing the propose A. 13 location and its relationship with the surrounding leasehold 14 situation. It may be noted that the unorthodox movement of 15 the location is towards Yates' acreage. 16 Q. I would refer you to Applicant's Exhibit Number Two. 17 Was that exhibit prepared by you or under your supervision, 18 Mr. Beck? 19 It was prepared by me. A. 20 Would you explain to the Hearing Examiner what that Q. 21 exhibit shows? 22 Exhibit Number Two is a map showing in solid contours A. 23 the varying thickness of the interval between the top of the 24 Morrow clastics and the Pre-Morrow clastics unconformity. The 25

sid morrish reporting service *General Court Reporting Service* 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 Phone (505) 982-9212 solid contour thicks indicate areas of greater enosion prior
 to deposition of the Morrow clastics in this area near the
 Norrow clastic sub-crop. More important, it is also within
 these thicks that are found the thicker, potentially more
 efficient and productive Morrow channel sands.

6 The Sauers well in Section 34, located near the
7 axis of the thick, encountered a forty-eight foot Morrow
8 channel sand. However, unfortunately it was below the gas-water
9 contact and yielded sixty-nine hundred and twenty-five feet of
10 salt water and some gas too small to measure.

The proposed location of the Federal BZ is in a position where we now interpret a thick to cross the north half of Section 28, thereby having the best chance of encountering the potentially more productive channel sands.

Also shown on Exhibit Two are dotted contours showing
the structural configuration on top of the Morrow clastics
and the location of cross section AA prime. It may be noted
that the proposed location to be some one hundred and sixty feet
higher to the Sauer's well which had the wet Morrow channel.
Mr. Beck, referring you to Applicant's Exhibit Number
Three, did you prepare that exhibit?

A. Yes.

A.

23 Q Would you explain to the Hearing Officer what that24 exhibit purports to show?

22

25

Exhibit Number Three is a cross section running from

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		Page6
	1	south to north showing a longitudinal section, the mapped
	2	interval of the previous exhibit, the pertinent correlations
	3	and the depth dimension to the previous exhibit.
	4	0 Pr. Beck, in your professional opinion, will the
	5	approval of this application afford the applicant the
	6	opportunity to produce its just and equitable share of gas,
	7	will it prevent economic loss caused by the drilling of
	8	unnecessary wells, avoid the augmentation of risk arising
	9	from the drilling of an excessive number of wells and will it
	10	otherwise prevent waste and protect correlative rights?
212	11	A. I do.
) 982-9	12	MR. CARSON: Mr. Examiner, we move the introduction
Phone (505) 982-9212	13	of these three exhibits.
Pho	14	MR. NUTTER: Yates' Exhibits One through Three will
	15	be admitted into evidence.
	16	(THEREURER, Yates' Exhibits One through
	17	Three were admitted into evidence.)
	18	MR. CARSON: We have no further questions of this
	19	witness.
	20	
	21	CROSS EXAMINATION
	22	BY MR. NUTTER:
	23	Mr. Beck, on Exhibit One the yellow-colored acreage
	24	is Yates' controlled acreage?
	25	A. Yes, sir.
	ľ	

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On Exhibit Number Two, Mr. Beck, 3 see two wells
that are colored with the enance dots, indicating that they are
3 Morrov gas wells, however, 3 see a number of other gas wells
4 on the plat. They are producing from the formation that is
5 indicated by the well symbol, is that true?

6 & Yes, sir.

7 6. So even though this well may not encounter Morrow
8 production you would have an opportunity to possibly get Cisco
9 or Strawn or Upper Canyon, Lower Canyon?

10 A. Yes, sir, that's true. You can encounter Wolfcamp,
11 Cisco, Lower Canyon, Strawn or Atoka as secondary objectives
12 in this area.

What about the wells to the north and west of this, 0 13 the Federal BZ Com, what happened in the Morrow on that well? 14 If you refer to Exhibit Number Three, you can see Α. 15 the electric log there, we just -- between the top of the 16 Morrow clastics and where I picked the Pre-Morrow clastics 17 unconformity, those are pretty ratty little sands in there, 18 just no gas effect or porosity, just very poor sands. 19

20 Q And what was the condition of the Morrow in the21 Gable well to the west?

A. The same situation persisted there too. The sands
were just very thin and tight and non-productive, non-commercial
sands.

MR. NUTTER: Are there any further questions of

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	Page {
1	this witness? He may be excused.
2	(THEREUPON, the witness was excused.)
3	MR, NUTTER: Do you have anything further, Mr. Carso
4	MR, CARSON: Nothing further.
5	MR. NUTTER: Does anyone have anything they wish to
6	offer in Case Number 5772?
7	We will take the case under advisement.
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sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 Phono. 5005, 082-0212

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1 <u>PTFORPER'S CERTIFICATE</u>
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.

C.S.R Morrish,

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New Mexico Oil Conservation Commission Examiner, Examiner

sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fc, New Mexico 87501 Phone (505) 982-9212

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Deckets Nos. 27-76 und 28-76 are tentatively set for hearing on October 13 and 27, 1976, Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1976

#### 9 A.M. - OIL CONSERVATION COLMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program. CASE 5763:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Juanita Frank, The Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Greathouse Frank Well No. 2, located in Unit C of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in CASE 5769: accordance with a Commission-approved plugging program,

CASE 5770: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5771: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Tom Brown GO Com Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal BZ Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East CASE 5772: line of Section 28, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 28 to be dedicated to the well.

CASE 5773:

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Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.

CASE 5774: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Well No. 1 to be drilled at an unorthodox location 1100 feet from the North line and 1500 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for super-vision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, CASE 5775: Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 Fast, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1880 feet from the North line and 660 feet from the West line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

LAW OFFICES

A. J. LOSEE JOEL M. CARSON CHAD DICKERSON LOSEE & CARSON, P.A. 300 AMERICAN HOME BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88210

AREA CODE 505 746-3508

# September 9, 1976

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

## Gentlemen:

Enclosed for filing, please find three copies each of two applications of Yates Petroleum Corporation for unorthodox well locations in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of the hearing.

Yours truly,

LOSEE & CARSON, P.A. M. lavon Joel M. arson

JMC:bjm Enclosures

and the second

cc w/enclosures: Mr. Jack W. McCaw

Case 5772

#### BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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

CASE NO.

# APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys, and in support hereof, respectfully states:

 That applicant is operator of a majority of the interest in the Pennsylvanian formation underlying the N/2 of Section 28, Township 17 South, Range 25 East, N.M.P.M., Edd. County, New Mexico.

2. Applicant proposes to drill its Yates Petroleum Corporation Federal "BZ" No. 16 Well at 1,980 feet from the North line and 660 feet from the East line of said Section 28, and to dedicate the N/2 of said Section 28 to the well.

3. Applicant seeks an exception to the well location requirements of Rule 104 C-II(a) of the Oil Conservation Commission to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising the N/2 of said Section 28 should be dedicated to the Federal "BZ" No. 16 Well. 5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting applicant permission to drill its Federal "BZ" No. 16 Well at the above mentioned unorthodox location and to dedicate the N/2 of Section 28, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

LOSEE & CARSON, P.A. P. O. Drawer 139 Artesia. New Mexico 88210

Attorneys for Applicant

#### STEARS THE DIL CORSEPANTON COUNTSEAMS

## STATE OF NDE MEXICO.

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

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CASE NO.

## APPLICATION

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1. That applicant is operator of a majority of the interest in the Pennsylvanian formation underlying the N/2 of Section 28, Township 17 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant proposes to drill its Yates Petroleum Corporation Federal 'BZ" No. 16 Well at 1,980 feet from the North line and 660 feet from the East line of said Section 28, and to dedicate the N/2 of said Section 28 to the well.

3. Applicant seeks an exception to the well location requirements of Rule 104 C-II(a) of the Oil Conservation Commission to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation of the Pennsylvanian system.

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WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting applicant permission to drill its Federal "BZ" No. 16 Well at the above mentioned unorthodox location and to dedicate the N/2 of Section 28, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

YATES PETPOLEUM CORPORATION

LOSEE CARSON, P.A. P. O. brawer 239 Artesia, Nor Mexico 88210

Attorneys for Applicant

#### BEFORE THE OIL CONSERVATION COMMISSION

#### STATE OF MEN MEXICO.

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AU UNORTHODOX GAS WELL LOCATION IN EDDY COUNTY, NEW MEXICO

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CASE NO.

## APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys, and in support hereof, respectfully states:

1. That applicant is operator of a majority of the interest in the Pennsylvanian formation underlying the N/2 of Section 28, Township 17 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant proposes to drill its Yates Petroleum Corporation Federal 'BZ' No. 16 Well at 1,980 feet from the North line and 660 feet from the East line of said Section 28, and to dedicate the N/2 of said Section 28 to the well.

3. Applicant seeks an exception to the well location requirements of Rule 104 C-II(a) of the Oil Conservation Commission to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising the N/2 of said Section 28 should be dedicated to the Federal "B2" No. 16 Well. 5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent 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.

WHEREFORD, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting applicant permission to drill its Federal "BZ" No. 16 Well at the above mentioned unorthodox location and to dedicate the N/2 of Section 28, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

VATES PETPOLEUM COPPORATION By:

LOSEE & CARSON, P.A. P. O. Drawer 239 Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OTH CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

	IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:	
	CANEL	CASE NO 5772
		Order 110. R- <u>5304</u>
J.A.		ION, O O V
	BY THE COMMISSION:	
	This cause came on for hear at Santa Fe, New Mexico, before I	ring at 9 a.m. on <u>September 29</u> , 19 <u>76</u> , Examiner <u>Daniel S. Nutter</u> .
•	NOW, on thisday of a quorum being present, having co the recommendations of the Examin	<del>Setobe</del> r , 19 <u>76</u> , the Commission, onsidered the testimony, the record, and her, and being fully advised in the premises,
	FINDS:	
		e having been given as required by law, the his cause and the subject matter thereof.
	to its I	Yates Petroleum Corporation, seeks Federal 'BZ' Well No. 16 to be drilled 11 location/ 1980feet from the <u>North</u>
•	·	East line of Section <u>28</u> , Township Eddy County, New Mexico, 25 East , NMPM, to test the
	Morrow formation	P0015-
	Eddy County, New Mexico	i i i i i i i i i i i i i i i i i i i
	(3) That the $N/2$ of sat	id Section <u>28</u> is to be dedicated to the
	well.	
	(4) That a well at said un	northodox location will better enable
:	applicant to produce the gas unde	erlying the proration unit.
	÷	or objected to the proposed unorthodox
	location.	• • • • • • • • • • • • • • • • • • •
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Case No.	
Order No. R-	

(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:

(2) That the N/2 of said Section \_ 28 \_ 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 Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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called in lay Jose Carson 4:15 P 9/7

Eddy County