

Sept 17, 1963
C.P.

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. 2890
Order No. R-2567

APPLICATION OF S. P. YATES
FOR AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 4, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of September, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, S. P. Yates, seeks authority to drill and complete an oil well in the Seven Rivers formation at an unorthodox location 1435 feet from the North line and 1155 feet from the East line of Section 12, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico.
- (3) That the W/2 SE/4 NE/4 of Section 12, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, can reasonably be presumed to be productive of oil from the Seven Rivers formation; that the E/2 SE/4 NE/4 of said Section 12 cannot reasonably be presumed to be productive of oil from the Seven Rivers formation; and that approval of the subject application will impair correlative rights if more than a 20-acre allowable is assigned to the subject well.
- (4) That if the subject well is allowed to produce more than one half the normal unit allowable from the proposed location it will in all probability drain oil from the offsetting acreage to the north and west, thereby impairing correlative rights.

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(5) That in order to prevent waste and protect correlative rights, the proposed non-standard location should be approved, provided the applicant dedicates only the W/2 SE/4 NE/4 of Section 12, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, to the subject well.

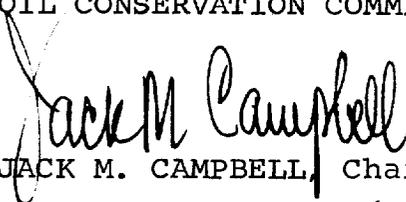
IT IS THEREFORE ORDERED:

(1) That the applicant, S. P. Yates, is hereby authorized to drill and complete an oil well in the Seven Rivers formation at a non-standard location 1435 feet from the North line and 1155 feet from the East line of Section 12, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico; provided, however, that only the W/2 SE/4 NE/4 of said Section 12 shall be dedicated to the subject well and said well shall receive an acreage factor for allowable purposes of 0.50.

(2) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

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