

Entered January 16, 1968
CLP

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. 3252
Order No. R-2917-B

APPLICATION OF HARVEY E. YATES AND YATES
DRILLING COMPANY FOR THE CREATION OF A
NEW GAS POOL AND FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 10, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of January, 1968, 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 by Order No. R-2917, dated June 8, 1965, temporary Special Rules and Regulations were promulgated for the McMillan-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That by Order No. R-2917-A, dated July 27, 1966, said temporary Special Rules and Regulations were continued in full force and effect for an additional period of 18 months.
- (4) That pursuant to the provisions of Order No. R-2917-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

-2-

Case No. 3252

Order No. R-2917-B

(5) That the evidence establishes that one well in the McMillan-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2917 and R-2917-A have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(7) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Orders Nos. R-2917 and R-2917-A should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

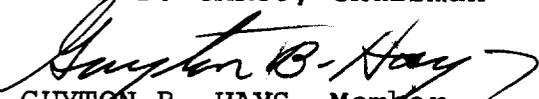
(1) That the Special Rules and Regulations governing the McMillan-Morrow Gas Pool, promulgated by Orders Nos. R-2917 and R-2917-A, are hereby continued in full force and effect until further order of the Commission.

(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

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

ir/