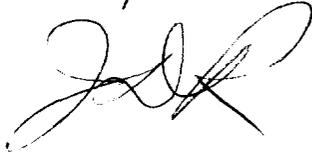


Entered April 11, 1978



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. 6192  
Order No. R-5697

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,  
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, 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  
approval of an unorthodox gas well location for its Federal "DC"  
Well No. 1 to be located 1980 feet from the South line and 660  
feet from the West line of Section 29, Township 20 South, Range  
28 East, NMPM, to test the Morrow formation, Burton Flat-Morrow  
Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 29 is to be dedicated to  
the well.

(4) That said unorthodox location results from the re-entry  
of a previously drilled dry hole.

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

-2-

Case No. 6192  
Order No. R-5697

(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:

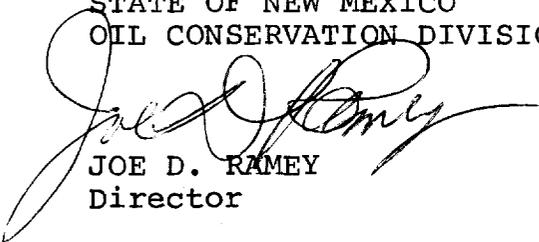
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Yates Petroleum Corporation Federal "DC" Well No. 1 to be located at a point 1980 feet from the South line and 660 feet from the West line of Section 29, Township 20 South, Range 28 East, NMPM, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 29 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 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

S E A L

jr/