

Entered April 25, 1979

JLR

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. 6480
Order No. R-5984

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 1979, 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, Harvey E. Yates Company, seeks a new onshore reservoir or, in the alternative, a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.

(3) That said State 22 Well No. 1 was spudded on December 20, 1976, and was completed as a wildcat Queen oil well from perforations at 4450 feet to 4460 feet on April 14, 1977.

(4) That at the time of completion suitable facilities for the production and transportation of gas from said well were not available.

(5) That said well was not connected to a gas transmission facility prior to October 23, 1978.

(6) That while this Queen interval was penetrated by a number of other wells within 2 1/2 miles of said State 22 Well

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No. 1, no other well had been completed in, produced from, or could have produced from, said interval at the time of its completion.

(7) That the geologic evidence presented established that the Queen productive interval in said well is a shallow water sand bar characterized by limited areal extent.

(8) That the weight of the evidence presented establishes that said State 22 Well No. 1 has encountered a new onshore reservoir from which natural gas was not produced in commercial quantities before April 20, 1977.

(9) That the applicant has requested dismissal of the new onshore production well determination portion of the application.

(10) That said portion of the application should be dismissed.

IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Lea County, New Mexico, is completed in a new onshore reservoir (Queen formation) as defined by Sections 2(6) and 102(c) of the Natural Gas Policy Act of 1978.

(2) That that portion of the application seeking an alternative determination of a new onshore production well for said State 22 Well No. 1 is hereby dismissed.

(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

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