

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11339
ORDER NO. R-10562

**APPLICATION OF YATES PETROLEUM CORPORATION FOR DIRECTIONAL
DRILLING AND UNORTHODOX BOTTOMHOLE LOCATIONS, EDDY COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 7, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of April, 1996 the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Petroleum Corporation, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, to an unorthodox bottomhole gas well location:

(a) at a depth of 9,870 feet in the Wolfcamp formation (Undesignated East Burton Flat-Wolfcamp Gas Pool or Undesignated Scalon-Wolfcamp Gas Pool) 2055 feet from the North line and 2277 feet from the West line (Unit F) of said Section 27; and,

(b) at a depth of 10,935 feet in the Strawn formation (Undesignated East Burton Flat-Strawn Gas Pool) 2065 feet from the North line and 2480 feet from the West line (Unit F) of said Section 27.

(3) The N/2 of said Section 27 is to be dedicated to said well to form standard 320-acre gas spacing and proration units for both the Strawn and Wolfcamp intervals.

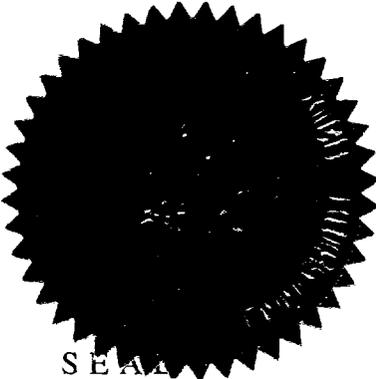
(4) On February 22, 1996 the Division issued Administrative Orders DD-132(NSBHL), which order approved the aforementioned application.

(5) This matter should therefore be dismissed.

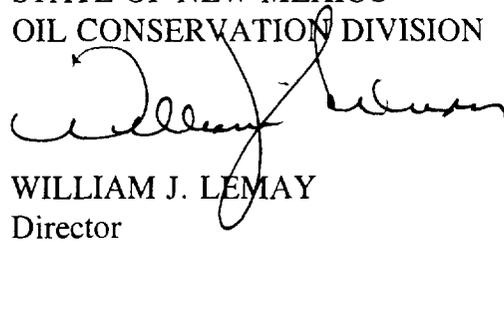
IT IS THEREFORE ORDERED THAT:

Case No. 11339 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director