

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:

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF
THE SPECIAL POOL RULES AND REGU-
LATIONS FOR THE NORTH DAGGER DRAW-
UPPER PENNSYLVANIAN POOL AS PROMUL-
GATED BY DIVISION ORDER NO. R-4691, AS
AMENDED, TO INCREASE THE ASSIGNED POOL
WIDE DEPTH BRACKET OIL ALLOWABLE AND
THE CANCELLATION OF OVERPRODUCTION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11525
Order No. R-4691-F

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF THE
SPECIAL POOL RULES AND REGULATIONS
FOR THE SOUTH DAGGER DRAW-UPPER
PENNSYLVANIAN ASSOCIATED POOL, AS
PROMULGATED BY DIVISION ORDER NO.
R-5353, AS AMENDED, TO INCREASE THE
ASSIGNED POOL WIDE DEPTH BRACKET OIL
ALLOWABLE AND THE CANCELLATION OF
OVERPRODUCTION, EDDY COUNTY, NEW
MEXICO.

CASE NO. 11526
Order No. R-5353-L-3

ORDER OF THE DIVISION
LIFTING THE STAY OF ORDERS NOS. R-4691-E AND R-5353-L-2

BY THE DIVISION:

On August 16, 1996, the Division issued an Order Staying Orders Nos. R-4691-E and R-5353-L-2 (Orders) and the Division Director having now heard the evidence presented at the De Novo hearing on September 18 and 19, 1996, and being fully advised in the premises,

NOW, on this 19th day of September, 1996, the Division Director:

Cases Nos. 11525 and 11526
Orders Nos. R-4691-F and R-5353-L-3
2

FINDS THAT:

(1) Yates presented no evidence that it had not overproduced wells as set forth in the Orders.

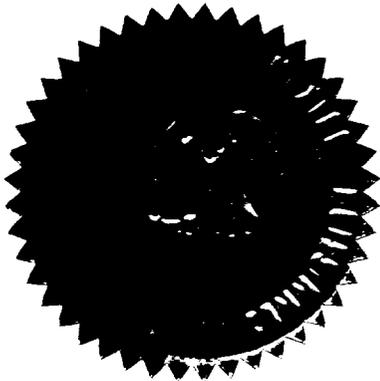
(2) The evidence presented at the hearing did not support the claim of Yates that curtailment of production will have an adverse effect upon the ultimate recovery of oil from these pools which would cause waste.

IT IS THEREFORE ORDERED THAT:

(1) The Order of the Division Staying Orders Nos. R-4691-E and R-5353-L-2 entered on August 16, 1996, is hereby lifted.

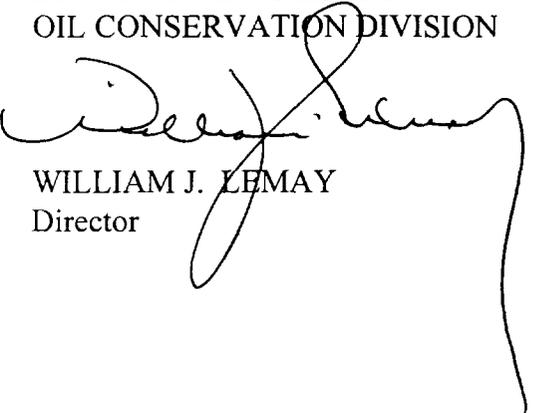
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director