

**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. 10628 (Reopened)
Order No. R-9838-A**

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 8, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of April, 1993, the Division Director, having considered the testimony, 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) By Order No. R-9838 entered in Case Nos. 10628 and 10629 on February 2, 1993, the Division, upon application of Yates Petroleum Corporation, pooled all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 27, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, in the following manner:

All of Section 27 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool; and,

The W/2 of Section 27 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent.

(3) Both of said units were dedicated to the plugged and abandoned Pan American Petroleum Corporation Pardue Federal Gas Com Well No. 1 to be re-entered and deepened to the Morrow formation at an unorthodox gas well location 1140 feet from the South line and 1350 feet from the West line (Unit N) of Section 27.

(4) The applicant, Yates Petroleum Corporation (Yates), seeks to amend Division Order No. R-9838 to correctly identify the S/2 of Section 27 as the 320-acre spacing and proration unit it intended to pool in original Case No. 10628.

(5) The record in Case No. 10628 indicates that:

- a) The December 17, 1992 Examiner Docket incorrectly described the applicant's proposed pooled acreage as being the W/2 of Section 27;
- b) The evidence, testimony and notice provided by Yates in original Case No. 10628 heard on December 18, 1992 correctly identified the S/2 of Section 27 as the proposed pooled 320-acre spacing and proration unit; and,
- c) The Division inadvertently failed to continue and readvertise Case No. 10628 to correct the intended proration unit and subsequently issued Order No. R-9838 which incorrectly pooled the W/2 of Section 27.

(6) The advertisement for the immediate case correctly identifies the proposed proration unit as being the S/2 of Section 27.

(7) No interest owner or other party appeared at the hearing in opposition to the application.

(8) Division Order No. R-9838 should be amended to correctly identify the pooled 320-acre spacing and proration unit as being the S/2 of Section 27.

(9) All other provisions of Division Order No. R-9838 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph No. (2) of Division Order No. R-9838 is hereby amended to read in its entirety as follows:

"(2) The application of Yates Petroleum Corporation in Case No. 10628 is granted and all mineral interests, whatever they may be, from the surface to the base of the Morrow formation, underlying the following described acreage in Section 27, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico and in the following manner, are hereby pooled:

All of Section 27 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool; and,

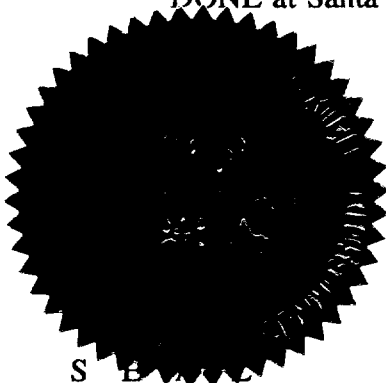
The S/2 of Section 27 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent.

Both units are to be dedicated to the plugged and abandoned Pan American Petroleum Corporation Pardue Federal Gas Com Well No. 1 to be re-entered and deepened to the Morrow formation at an unorthodox gas well location 1140 feet from the South line and 1350 feet from the West line (Unit N) of said Section 27."


(2) All other provisions contained within Division Order No. R-9838 shall remain in full force and effect.

(3) Jurisdiction is hereby 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


WILLIAM J. LEMAY
Director