

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. 8503
Order No. R-7870

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 27, 1985 and on April 10, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 10th day of April, 1985, 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) The applicant, Yates Petroleum Corporation, seeks approval of an unorthodox oil well location for its Kochia "AAM" State Well No. 1 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, NMPM, to test the Devonian formation, Dean-Devonian Pool, Lea County, New Mexico.

(3) The SW/4 SE/4 of said Section 35 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit in the Dean-Devonian Pool.

(4) A well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.

(5) No offset operator objected to the unorthodox location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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.

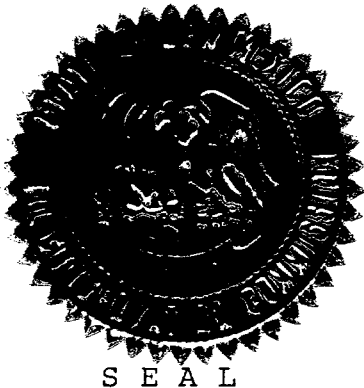
IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox oil well location for the Devonian formation is hereby approved for its Kochia "AAM" State Well No. 1 located at a point 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, NMPM, Dean-Devonian Pool, Lea County, New Mexico.

(2) The SW/4 SE/4 of said Section 35 shall be dedicated to the above-described well.

(3) 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
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A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the printed name.

R. L. STAMETS
Director