

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. 9330
Order No. R-8624

APPLICATION OF YATES PETROLEUM
CORPORATION FOR 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 March 16, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 29th day of March, 1988, 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 gas well location for its Eland "AFC" Federal Com Well No. 1 to be located 660 feet from the North and West lines (Unit D) of Section 13, Township 20 South, Range 29 East, NMPM, to test the Pennsylvanian formation, Undesignated East Burton Flat-Strawn Gas Pool and Undesignated Getty-Morrow Gas Pool, Eddy County, New Mexico.

(3) The applicant proposes to dedicate a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 13 to the proposed well.

(4) The applicant presented geologic evidence at the hearing which indicates that a well drilled at the proposed location would penetrate the Strawn at a more structurally advantageous position than a well drilled at a standard

location thereon, thereby increasing the likelihood of obtaining a commercial producing well.

(5) The applicant is the operator of the affected offset acreage to the North and the Northwest.

(6) No other offset operator appeared and objected to the proposed unorthodox location.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool(s), 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.

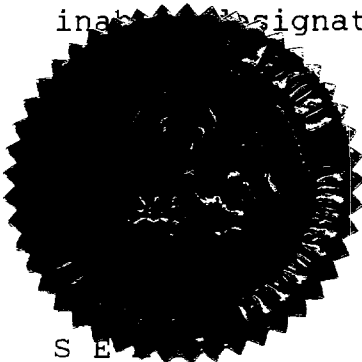
IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation, is hereby authorized to drill its Eland "AFC" Federal Com Well No. 1 at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 13, Township 20 South, Range 29 East, NMPM, to test the Pennsylvanian formation, Undesignated East Burton Flat-Strawn Gas Pool and Undesignated Getty-Morrow Gas Pool, Eddy County, New Mexico.

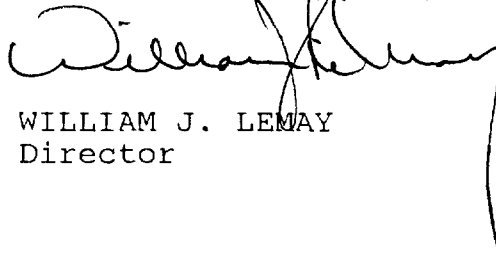
(2) The W/2 of said Section 13 shall be dedicated to the above described well.

(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 herein designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director