

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. 6457
Order No. R-6031

APPLICATION OF HARVEY E. YATES COMPANY
FOR A NEW ONSHORE RESERVOIR DETERMINATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Harvey E. Yates Company, seeks a determination by the Division, in accordance with Sections 2(c) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission, that its Empire South Deep Unit Well No. 13, located in Unit N of Section 30, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, has discovered a new onshore reservoir from which natural gas was not produced in commercial quantities before April 20, 1977.
- (3) That said well was completed in an upper Morrow sand designated by the applicant as the "B-4 Sand" on April 7, 1977, with perforations from 10,665 feet to 10,677 feet, and a plugged-back depth of 10,960 feet after having been drilled to a total depth of 11,060 feet.
- (4) That said well was first connected to a gas transmission facility on July 26, 1977.

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JOE D. RAMSEY
Director

CONNE at Santa Fe, New Mexico, on the day and year herein-
above designated.

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

(1) That the Harvey E. Yates Company Empire South Deep
Unit Well No. 13, located in Unit N of Section 30, Township 17
South, Range 29 East, NMPM, Eddy County, New Mexico, is completed
in a new onshore reservoir as defined by Sections 2(c) and
102(c) of the Natural Gas Policy Act of 1978 and the applicable
rules of the Federal Energy Regulatory Commission.

IT IS THEREFORE ORDERED:

(9) That the subject well was the first well drilled into
and completed to commercially produce from the aforesaid
separate reservoir, and therefore qualifies as producing new
natural gas from a new onshore reservoir pursuant to the pro-
visions of Section 102(c) of the Natural Gas Policy Act of 1978
and the applicable rules of the Federal Energy Regulatory Com-
mission.

(3) That the available pressure information indicates that
the B-4 sandbar in which the subject well is completed is not
in communication with, but is separated from, the nearest
parallel B-4 sandbar and therefore constitutes a separate
reservoir.

(7) That the geological evidence in this case indicates
that the subject well is completed in a different B-4 sandbar
than the other Morrow gas wells in the area which also produce
from a B-4 sandbar.

(5) That there are similar parallel lenticular B-4
sandbars in the general area, all trending in a Northeast/
Southwest direction, and separated from each other by lanes in
which the B-4 sands are not present.

(5) That the B-4 Sand in which the subject well is com-
pleted is a part of a narrow lenticular shallow water sandbar
deposit trending Northeast/Southwest.