

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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FEB 1 1980

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

O. C. D.
ALBUQUERQUE OFFICE

CASE NO. 6778
Order No. R-6249

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN NGPA DETERMINATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of January, 1980, 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 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission, that its Loco Hills Welch Well No. 2, located in Unit N of Section 4, Township 18 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 the Morrow formation with perforations from 10,896 to 10,910 feet, and a plugged-back depth of 11,371 feet after having been drilled to a total depth of 11,430 feet.

(4) That although there are several wells in the vicinity of the subject well which have penetrated and are completed in the Morrow formation, available well logs demonstrate that the

subject well is completed in a stray sand encountered in a section containing a non-productive shale or tight sand facies in such other wells.

(5) That the 3800 pound shut-in pressure encountered by said well is indicative of an undrained reservoir.

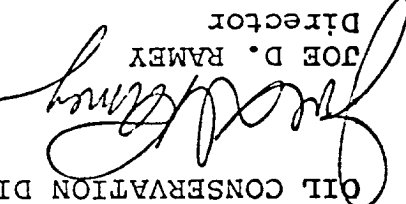
(6) That the combined log and pressure data presented establishes that said Loco Hills Well No. 2 has been completed in a new onshore reservoir as defined by the provisions of Section 102 (c) of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

IT IS THEREFORE ORDERED:

(1) That the Harvey E. Yates Company Loco Hills Well No. 2, located in Unit N of Section 4, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is completed in a new onshore reservoir as defined by Sections 2 (6) and 102 (c) of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(2) That 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
OIL CONSERVATION DIVISION

JOE D. RAMSEY
Director

S E A L

Ed/