

**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:**

*Hobbs*  
**CASE NO. 10461  
Order No. R-9663**

**APPLICATION OF YATES PETROLEUM  
CORPORATION FOR DIRECTIONAL  
DRILLING AND A NON-STANDARD OIL  
PRORATION UNIT, EDDY AND LEA  
COUNTIES, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on April 2, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of April, 1992, 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) Division Case Nos. 10460 and 10461 were consolidated at the time of the hearing for the purpose of testimony.
- (3) The applicant, Yates Petroleum Corporation, seeks approval to directionally drill its proposed Bonneville "AKK" Federal Well No. 2, to be located at a surface location 660 feet from the South line and 200 feet from the East line (Unit P) of Section 24, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, in such a manner as to bottom the well in the Undesignated Lost Tank-Delaware Pool at a standard oil well location approximately 660 feet from the South line and 1049 feet from the West line in Lot 4 (SW/4 SW/4 equivalent) of Section 19, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, being a non-standard 43.46-acre oil spacing and proration unit for said pool.