

Case Number

6020

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
31 August 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-  
ation for an unorthodox gas well lo-  
cation, Eddy County, New Mexico.

CASE  
6020

BEFORE: Daniel S. Nutter.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant:

Joel Carson, Esq.  
LOSEE & CARSON P.A.  
Artesia, New Mexico

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

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RAY BECK

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1 MR. NUTTER: The hearing will come to order, please.  
2 The next case will be Case Number 6020.

3 MS. TESCHENDORF: Case 6020. Application of Yates  
4 Petroleum Corporation for an unorthodox gas well location,  
5 Eddy County, New Mexico.

6 MR. CARSON: Mr. Examiner, my name is Joel Carson,  
7 Losee and Carson, P.A., Artesia, New Mexico. I have one  
8 witness, Ray Beck, who has not yet been sworn.

9 (Witness sworn.)

10 MR. CARSON: Mr. Nutter, before we proceed, let me  
11 ask a question about the manner of proceeding in this case.

12 We applied for this unorthodox location at a point  
13 that is 660 from the north and the west lines of Section 35,  
14 based on geological consideration. When the surveyor went  
15 out to stake this location yesterday -- I might say it had  
16 been represented to Mr. Beck that this was strictly goat  
17 pasture, but when they went out to stake this yesterday, it  
18 turns out that it's in the middle of a guy's sprinkler  
19 system and it now appears that it may be necessary to locate  
20 the well 30 feet east of where it is presently -- of the  
21 present location, being applied for, and about 300 feet  
22 south. Isn't that right, Ray?

23 MR. BECK: Well.

24 MR. CARSON: The topographical changes, based on  
25 topographical considerations are subject to administrative

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1 approval. Would it be appropriate to simply ask to amend  
2 this application and go -- and proceed right now or go ahead  
3 and proceed with our unorthodox and make a separate appli-  
4 cation for administrative approval of this further change?

5 MR. NUTTER: Let me see where that location would  
6 be amended to. It would be 30 feet to the east of the --

7 MR. CARSON: Yes.

8 MR. NUTTER: -- advertised location.

9 MR. CARSON: It would be 690.

10 MR. NUTTER: It would be 690 from the west line  
11 of the section and it would be 300 feet south?

12 MR. CARSON: Yes, sir, that would be 960, would  
13 be 960, yeah.

14 MR. NUTTER: 960.

15 MR. CARSON: The move makes it slightly more or-  
16 thodox but nevertheless, it's an unorthodox location.

17 MR. NUTTER: Yeah, it's a little bit more orthodox.  
18 Are there any other units in operation in this vicinity,  
19 developed tracts?

20 MR. CARSON: Yes, sir, there are a number of wells  
21 in there on 320-acre spacing that are -- in the Kennedy  
22 Farms area, and all of them except for one well are unortho-  
23 dox locations.

24 I think, perhaps, if you'll look at your exhibits  
25 there, Mr. Examiner, I think Applicant's Exhibit Number 2

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1 will show the producing wells in the area. Am I correct?

2 MR. BECK: Yes, sir.

3 MR. NUTTER: Okay, now who operates the two wells  
 4 in Section 34?

5 MR. BECK: That's Hanson Oil operates both those  
 6 wells. The W. O. P. Kennedy Farms, drilling as Western Oil  
 7 and produces as Kennedy, but it was later bought by Hanson.

8 The second well down there, the Hanson Clyde Guy,  
 9 is representative of the wells, because when it was drilling  
 10 it blew out and made double digit millions of some sort,  
 11 and then they had clas casing and whipstocked it and never  
 12 could find it, so I feel considering --

13 MR. CARSON: It's not a producing well.

14 MR. BECK: It's on the location but it's not a  
 15 producing well.

16 MR. NUTTER: Which one is that?

17 MR. BECK: The Hanson Clyde Guy.

18 MR. CARSON: It's the Clyde Guy.

19 MR. NUTTER: That's the No. 22 on this --

20 MR. BECK: Yes, yes, sir. But it's not a pro-  
 21 ducing well.

22 MR. NUTTER: Are you in a hurry to drill this well?

23 MR. BECK: Well, we have a -- we were going to  
 24 drill it with a rig that we've got that's down in the Mis-  
 25 sissippian right now. We're thinking about taking it down

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1 to the Devonian, so it would be another five or six days  
 2 before that rig will be available. We would like to use  
 3 that rig.

4 MR. NUTTER: I was thinking of the possibility of  
 5 continuing this -- hearing the case and continuing it to  
 6 the hearing on the 14th of September and call for appear-  
 7 ances at that time with the amended location. I don't know.  
 8 Let's go ahead and hear the case and then talk about it  
 9 later.

10  
 11 RAY BECK

12 being called as a witness and being duly sworn upon his oath,  
 13 testified as follows, to-wit:

14  
 15 DIRECT EXAMINATION

16 BY MR. CARSON:

17 Q Would you please state your name?

18 A Ray Beck.

19 Q What is your -- who is your employer, Mr. Beck?

20 A Yates Petroleum.

21 Q And in what capacity are you employed?

22 A Geology.

23 Q Mr. Beck, have you previously testified before the  
 24 Commission?

25 A Yes, I have.

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1 Q. Would you -- and your qualifications have been  
 2 approved, is that correct?

3 A. Yes, they have.

4 MR. CARSON: Are his qualifications satisfactory?

5 MR. NUTTER: Yes, they are.

6 Q. Yates Petroleum Corporation has filed this Case  
 7 Number 6020 applying for an unorthodox location. Would you  
 8 please explain the nature of this application?

9 A. Yates requests approval of an unorthodox gas well  
 10 location of its proposed No. 1 Blevins "I-K" to be drilled  
 11 660 from the north and west lines of Section 35, Township  
 12 17 South, Range 26 East, Eddy County, New Mexico. The north  
 13 half of Section 35 has been dedicated to the well.

14 Q. Mr. Beck, I refer you to Applicant's Exhibit Number  
 15 1 and ask you to explain that exhibit to the Hearing Exam-  
 16 iner.

17 A. Exhibit Number 1 is a land plat showing the pro-  
 18 posed location and its relationship to the surrounding acreage.

19 Q. What -- what do the colors stand for?

20 A. The yellow is Yates leases and the rose color is  
 21 Yates Minerals.

22 Q. I refer you to Applicant's Exhibit Number 2 and  
 23 ask you to identify that and explain what it purports to  
 24 show.

25 A. Exhibit 2 is a combined Clean Sand Isolith and

1 structural map showing in solid contours the varying total  
2 thickness of clean Morrow sand and in dotted contours the  
3 structural attitude of the top of the Morrow clastic.

4 The exhibit shows that in the Kennedy Farms area  
5 the Morrow gas wells are found where the clean Morrow Sands  
6 are thickest. Wells in Sections 25, 35, 36 with sound counts  
7 of 5, 3, and 14 feet respectively, are dry in the Morrow.

8 On the western side of the map a trend toward  
9 westernward increasing clean sand apparently is developed.  
10 Therefore the proposed 660 location appears to be the least  
11 risky location in the north half of the proration unit.

12 Q Now, Mr. Beck, what is the -- you have -- I refer  
13 you to Applicant's Exhibit Number 3 and ask you to explain  
14 that exhibit, also.

15 A Exhibit Number 3 is a west to east cross section  
16 which shows on the left track of each log the interpretive  
17 clean Morrow Sand colored in yellow. Also shown are the  
18 correlations relating to the previous exhibit.

19 Q Mr. Beck, Applicant's Exhibit 1, 2, and 3 were all  
20 prepared by you or under your supervision, were they not?

21 A They were prepared by me.

22 Q Is it your belief that the granting of this ap-  
23 plication as perhaps administratively as amended to request  
24 a location 960 feet from the north line and 690 feet from  
25 the west line would have the effect of preventing the drilling

1 of unnecessary wells, protect correlative rights, and other-  
2 wise prevent waste?

3 A. Yes, I do.

4 MR. CARSON: We have no further questions and we  
5 would move the introduction of our exhibits, Mr. Examiner.  
6

7 CROSS EXAMINATION

8 BY MR. NUTTER:

9 Q Mr. Beck, referring to your Exhibit Number 2, now,  
10 you mentioned that the Numbers 3, 5, and 14 on the east side  
11 of the exhibit were dry in the Morrow and all of the other  
12 wells that are shown with the orange dot around them are  
13 producing in the Morrow, is that correct?

14 A. All the wells except for the exception of the  
15 Hanson Clyde Guy, which would have been a producing well if  
16 they had not have collapsed their casing and never could  
17 find it when they tried to whipstock it.

18 Q. It was productive and it blew out.

19 A. Yes, sir. Well, in any case --

20 Q. Mechanical problem there.

21 A. Yes, sir.

22 Q. And now the selection of the location at 660 feet  
23 from the north and east lines was based on the attempt to  
24 get into the thicker portion of the clean Morrow Sand, is  
25 that correct?

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1 A. That's right.

2 Q. And by amending the location as has been proposed  
3 here today, you will be moving to the east and to the south,  
4 which is in the direction of a less thickness -- or lesser  
5 thickness.

6 A. Yes, sir, actually by moving it this way to ac-  
7 commodate the sprinkler system on the pasture, we will be  
8 diminishing the geological prospects of the well, really,  
9 and I would prefer to drill 660 from the north and west, but  
10 it evidently can't be done.

11 Q. Because of cultural features --

12 A. Yes, sir.

13 Q. -- there on the field.

14 I think in view of the geology here and the fact  
15 that you're moving to the location that is less unorthodox  
16 than the advertised location, we will permit the application  
17 to be amended here on the floor this morning and go ahead  
18 and hear the case and enter an order for this proposed  
19 amended location.

20 Are there any further questions of Mr. Beck? He  
21 may be excused. Do you have anything further, Mr. Carson?


22 MR. CARSON: No, sir.

23 MR. NUTTER: Does anyone have anything they wish  
24 to offer in Case Number 6020?

25 We'll take the case under advisement.

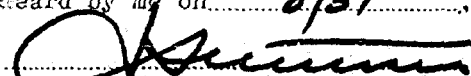
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill  
and ability.

  
Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6020  
heard by me on 8/31, 1977.

 Examiner  
New Mexico Oil Conservation Commission



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6020  
Order No. R-5527

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 1977, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location for its Blevins "I-K" Well No. 1 to be drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 35 is to be dedicated to the well.

(4) That the legal notice for this case described the proposed unorthodox location for the subject well as being 660 feet from the North line and 660 feet from the West line of said Section 35.

-2-

Case No. 6020  
Order No. R-5527

(5) That the discovery of certain agricultural appurtenances at said location makes it advisable to move the proposed well site to the point described in Finding No. (2) above.

(6) That inasmuch as the amended location is closer to a standard location than the advertised location, and is therefore less unorthodox, the applicant should be permitted to amend the location without further notice and hearing.

(7) That a well at the proposed unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(8) That no offset operator objected to the proposed unorthodox location.

(9) That 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, 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:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for Yates Petroleum Corporation Blevins "I-K" Well No. 1 to be drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 35 shall be dedicated to the above-described well.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

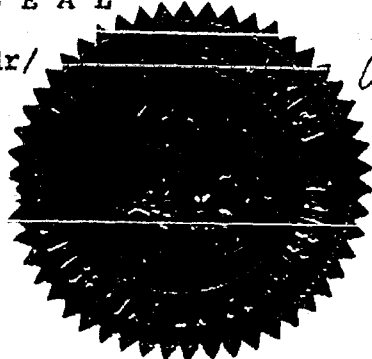
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

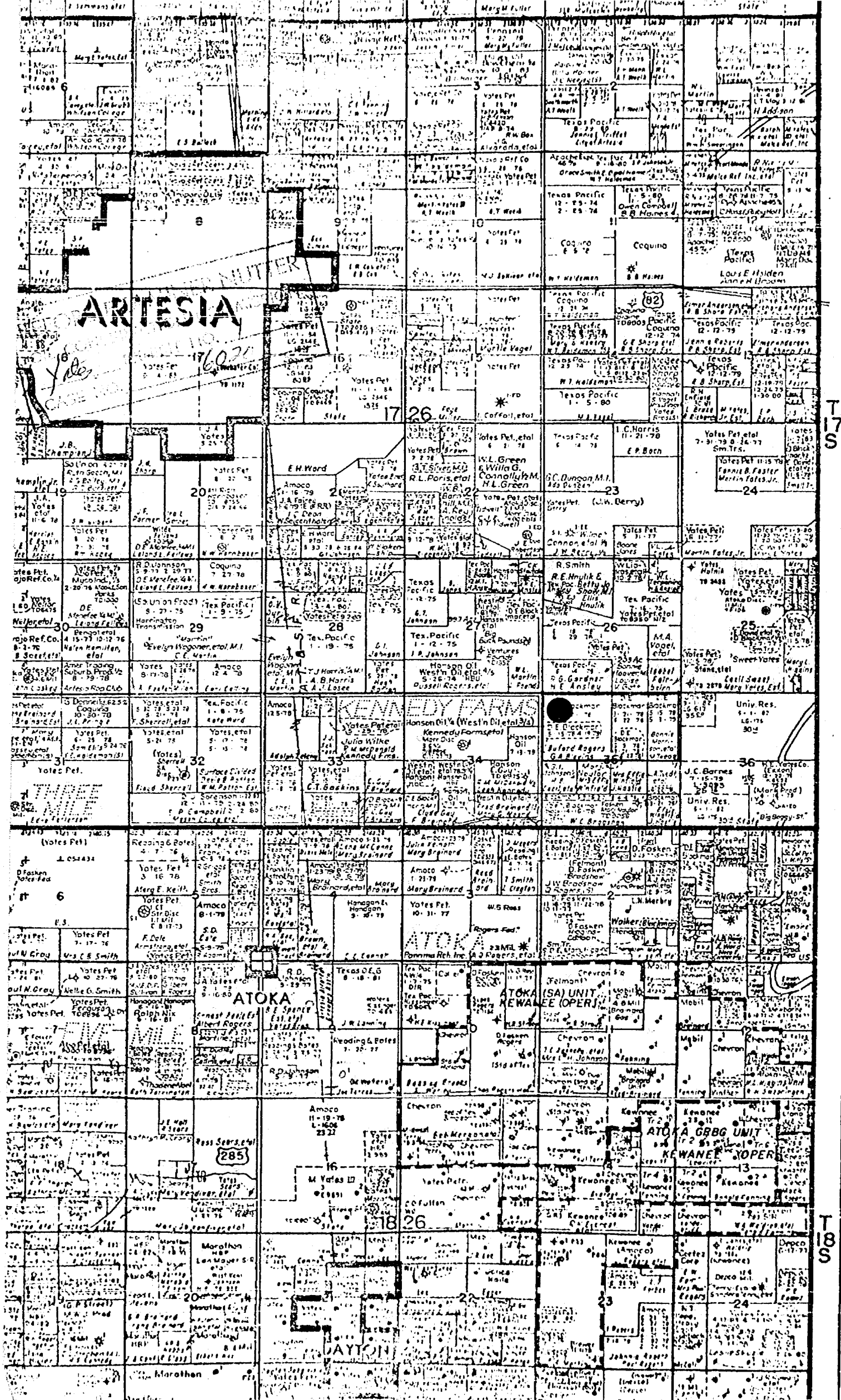
EMERY C. ARNOLD, Member

*Joe D. Raney*  
JOE D. RANEY, Member & Secretary

S E A L

dr/





Case 6020

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

LAW OFFICES  
LOSEE & CARSON, P.A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AUG -8 1977  
AREA CODE 505  
746-3508  
NEW MEXICO OIL CONSERVATION COMMISSION

5 August 1977

Mr. Joe D. Ramey, Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for unorthodox well location for its Blevins "I-K" No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on August 31, 1977, and that you furnish us with a docket of the hearing.

Very truly yours,

LOSEE & CARSON, P.A.

  
A. J. Losee

AJL:jw  
Enclosures

cc w/enclosure: Mr. Jack McCaw

AUG 8 1977  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
YATES PETROLEUM CORPORATION FOR AN :  
UNORTHODOX GAS WELL LOCATION, EDDY : CASE NO. 6020  
COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

APPLICATION

COMES YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. That applicant is the operator for oil and gas  
in the Pennsylvanian formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 35: N/2

2. Applicant proposes to drill its Blevins "I-K"  
No. 1 at a location 660 feet from the North line and 660 feet  
from the West line of said Section 35.

3. Applicant seeks an exception to the well location  
requirement of Rule 104-C of the Oil Conservation Commission to  
permit the drilling of the well at the above mentioned unortho-  
dox location to a depth sufficient to adequately test the Morrow  
formation of the Pennsylvanian system.

4. That a standard 320-acre proration unit comprising  
the N/2 of said Section 35 would be dedicated to the Blevins  
"I-K" No. 1 Well.

5. That the approval of this application will afford  
the applicant the opportunity to produce its just and equitable  
share of gas, will prevent 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 other-  
wise prevent waste and protect correlative rights.

*Propose  
to amend  
to 960 FNL  
690 FWL*

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting applicant permission to drill its Blevins "I-K" No. 1 Well and to dedicate the N/2 of said Section 35 to said well, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By:

  
A. J. Losee for

LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

Dockets Nos. 22-77 and 23-77 are tentatively set for hearing on September 14 and 23, 1977. Applications for hearing must be filed at least 20 days in advance of hearing date.

HEARING: JAMES C. HARRIS - EXAMINER - WEDNESDAY - SEPTEMBER 21, 1977

9 A.M. - OIL BOARD, WHICH OPERATES UNDER COMMISSION RULES,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel G. Luster, Examiner, or Richard L. Stumbaugh, Alternate Examiner:

CASE 6016: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit land Oll Company, American Petroleum Institute Company, and all other interested parties to appear and show cause why the Garner Well No. 1 located in Unit B of Section 25, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6017: Application of E. L. Githam, Jr. and Roy G. Barton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NW/4 of Section 30, Township 9 South, Range 23 East, Flying H-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6018: Application of Walter Duncan for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open-hole interval from 687 feet to 706 feet in his North Hogback 1 Well No. 24 located in Unit G of Section 1, Township 29 North, Range 17 West, and from 691 feet to 702 feet in his North Hogback 6 Well No. 3 in Unit L of Section 6, Township 29 North, Range 16 West, Slickrock-Dakota Pool, San Juan County, New Mexico.

CASE 6019: Application of Gulf Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Littlefield "B" Federal Com. Well No. 1 located in Unit J of Section 20, Township 18 South, Range 31 East, Eddy County, New Mexico, to produce gas from undesignated Atocha and Morrow gas pools.

CASE 6020: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elevins "I-K" Well No. 1 to be drilled 660 feet from the North and West lines of Section 35, Township 17 South, Range 26 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 35 to be dedicated to the well.

CASE 6021: Application of Yates Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 982 feet to 1240 feet in its Federal W Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chaves County, New Mexico.

CASE 6022: Application of Continental Oil Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Conoco 29-4 Well No. 8 to be drilled 2365 feet from the South line and 1635 feet from the West line of Section 20, Township 29 North, Range 4 West, Gobernador-Pictured Cliffs Pool, Rio Arriba County, New Mexico, the SW/4 of said Section to be dedicated to the well.

CASE 6023: Application of Mexico Oil Company for downhole commingling and a tubing exception, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the downhole commingling of Upper Penn and Strawn production in the wellbore of its Federal 10 State Com Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, Avalon Gas Field, Eddy County, New Mexico. Applicant further seeks an exception to Commission Rule 107(d) to permit setting tubing 370 feet above the uppermost perforation in said well.

CASE 5957: (Continued from July 6, 1977, Examiner Hearing)

Application of Helco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 24 South, Range 25 East, Cinta Rosa-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

[illegible]

Application of Maxine Gas Inc. for an exploratory pitfall and an unauthorized location, San Juan County, New Mexico. Applicant, in the above-stipulated case, seeks to court drilling all mineral interests in the below-described underlying the NE 1/4 of Section 18, Township 6 North, Range 12 West, Basin-Deleto Soil, Four Corners, N.M., India, to be drilled at a well to be drilled at an unauthorized location T40 G. 1/4 Sec. 18, T6N R12W. At 1940 feet from the East line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Tensabe Oil Company for downhole sand testing, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the complete commingling of Blanco Mesaverte and Basin Dakota production in the wellbore of its diaphragm "A" Well No. 1 in Unit 1 of Section 18, "B" Well No. 8 in Unit 2 of Section 16, "C" Wells Nos. 4, 5, 6, 7, and 8, located, respectively, in Units 1 and 2 of Section 24, 1 of Section 14, and 4 and 2 of Section 13, all in Township 20 North, Range 5 West, Rio Arriba County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

dr/

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6020

Order No. R- 5527

APPLICATION OF YATES PETROLEUM CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of September, 1977, the Commission,  
a quorum being present, 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  
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks  
for its Blevins "I-K" Well No. 1 to be drilled at a point  
approval of an unorthodox gas well location 960 feet from the North  
line and 690 feet from the West line of Section 35, Township  
17 South, Range 26 East, NMPM, to test the  
Morrow formation, Kennedy Farms Morrow Gas Pool,  
Eddy County, New Mexico.

(3) That the N/2 of said Section 35 is to be dedicated to the  
well.

(4) and (5) & (6) <sup>the proposed</sup>  
(7) That a well at ~~said~~ unorthodox location will better enable  
applicant to produce the gas underlying the proration unit.

(8) That no offset operator objected to the proposed unorthodox  
location.

(4) That the legal notice for this case described the  
~~the proposed unorthodox location~~ for the subject  
~~proposed well~~ as being 660 feet from the North  
line and 660 feet from the West line of said  
Section 35.

(5) That <sup>the discovery of</sup> certain agricultural appurtenances at said  
location makes it <sup>advisable to move</sup> the proposed well site to the  
point described in Finding No. (2) above.

(6) That inasmuch as the amended location is closer to a  
standard location than the advertised location, and  
is therefore less unorthodox, the applicant should be  
granted the amended location.

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9(8) That 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, 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:

(1) That an unorthodox gas well location for the Morrow ~~yates Petroleum Corporation~~ Blevins "I-K" Well No. 1 to be drilled formation is hereby approved for ~~a well to be located~~ at a point 590 960 feet from the North line and 955 690 feet from the West line of Section 35, Township 17 South, Range 26 East NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 35 shall be dedicated to the above-described well.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

