

**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. 12269
Order No. R-11061-A**

**APPLICATION OF YATES PETROLEUM CORPORATION TO AMEND
DIVISION ORDER NO. R-11061 FOR COMPULSORY POOLING TO PERMIT
AN ALTERNATE WELL LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 21, 1999, at Santa Fe, ~~New~~ Mexico, before Examiner Mark W. Ashley.

NOW, on this 19th day of November, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) By Division Order No. R-11061 issued in Cases No. 11934, 11958, and 11959 on September 16, 1998, the Division granted Yates Petroleum Corporation's ("Yates") application to pool all mineral interests from the surface to the base of the Mississippian formation. The applications of Ocean Energy, Inc. ("Ocean") in Cases No. 11958 and 11959 were denied by Division Order No. R-11061.

(3) The acreage pooled under Division Order No. R-11061 was dedicated to Yates' proposed Field "APK" State Com Well No. 3 (API No. 30-025-34252) to be drilled at a standard location for all units 3300 feet from the South line and 760 feet from the West line (Lot 13/Unit M) of irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

(4) Following the entry of Division Order No. R-11061, Ocean timely filed for hearing de novo before the Oil Conservation Commission. Prior to the hearing before the Oil Conservation Commission, Yates and Ocean reached an agreement for development of the pooled acreage which included relocating the Field "APK" State Com

Well No. 3 (**API No. 30-025-34252**) to a standard location 1880 feet from the South Line and 1650 feet from the West line of irregular Section 2. The well has subsequently been drilled by Yates at the modified location.

(5) The applicant requests that Division Order No. R-11061 be amended to reflect the correct location of the Field "APK" State Com Well No. 3 (**API No. 30-025-34252**) 1880 feet from the South line and 1650 feet from the West line of irregular Section 2.

(6) This case was styled such that *"In the Absence of Objection, This Matter Will be Taken Under Advisement."*

(7) Legal counsel appeared on behalf of the applicant and presented evidence for admission in this case.

(8) The evidence indicates that relocating the Field "APK" State Com Well No. 3 (**API No. 30-025-34252**) will make the 160-acre gas spacing and 80-acre oil spacing proration units unnecessary. Therefore, that portion of Order R-11061-A regarding the 160-acre and 80-acre proration units should be deleted. . .

(9) Each interest owner within the pooled acreage was provided notice of this application and at the time of the hearing no interested party entered an appearance in this matter or filed an objection to the application.

(10) This application should be approved and Division Order No. R-11061 should be amended accordingly.

(11) All other provisions contained within Division Order No. R-11061 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation to amend Division Order No. R-11061 is hereby approved.

(2) Ordering Paragraph No. (1) of Division Order No. R-11061 is hereby amended to read as follows:

"(1) The application of Yates Petroleum Corporation ("Yates") in **Case No. 11934** is hereby granted pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following acreage in irregular Section 2:

Lots 11, 12, 13, 14 and the SW/4 to
form a standard 320-acre stand-up

gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated Townsend-Morrow Gas Pool.

These units are to be dedicated to Yates' Field "APK" State Com. Well No. 3 (API No. 30-025-34252) located at a standard location 1880 feet from the South line and 1650 feet from the West line (Unit S) of irregular Section 2."

- (3) All other provisions contained within Division Order No. R-11061 shall remain in full force and effect.
- (4) Jurisdiction is hereby 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

Lori Wrotenbery
LORI WROTENBERY
Director

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