

Case 212

Hondo Oil & Gas Company

Box 660

Roswell, New Mexico

October 27, 1960

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Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application for Approval of Unorthodox
Location for Hondo-Western-Yates No.
38-A Well, NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, T-17S,
R-28E, N.M.P.M., Eddy County, New Mexico

Gentlemen:

East?

Hondo Oil & Gas Company, Operator for Hondo Oil & Gas Company, a corporation, Western Development Company of Delaware, a corporation, and Yates Brothers, a partnership, doing business as Hondo-Western-Yates, and Pan American Petroleum Corporation, a Delaware corporation, hereby make application for permission to locate and drill its Hondo-Western-Yates No. 38-A Well 1160 feet from the North line and 330 feet from the South line of Section 32, Township 17 South, Range 28 East, Eddy County, New Mexico, as an exception to Rule 104(C).

In support of this application, Hondo Oil & Gas Company states the following:

1. Hondo-Western-Yates, or Hondo-Western-Yates and Pan American Petroleum Corporation, is the owner and Hondo Oil & Gas Company is the operator of all producing rights below 500 feet below the top of the San Andres formation on Hondo-Western-Yates State 647 Lease insofar as the same covers the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
2. There is no diversity of royalty ownership underlying the above described lease.
3. The location originally planned for the above described well, 990 feet from the North line and 330 feet from the East line of Section 32, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, falls directly under a 5-wire power line which makes drilling there impracticable.


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4. According to the best geological information available, the location of the perimeter of the Empire Abo Field is such that it would be impracticable to move the location of the Hondo-Western-Yates No. 38-A Well in any direction other than to the South.
5. The minimum distance which the location must be moved from the power line to insure the safety of the operation is 170 feet.
6. The consent of all owners of oil and gas leases within a radius of 660 feet from the proposed location has been obtained.
7. The granting of applicant's request in this case is in the interest of conservation, will protect correlative rights and will not create any danger of waste.

It is hereby respectfully requested that this matter be set for hearing at an early date.

Respectfully submitted,

HONDO-WESTERN-YATES and PAN
AMERICAN PETROLEUM CORPORATION
BY HONDO OIL & GAS COMPANY,
OPERATOR

By 
S. H. Cavin, Resident Attorney