

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. 4803
Order No. R-4391

APPLICATION OF YATES PETROLEUM
CORPORATION TO DIRECTIONALLY
DRILL AND AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of September, 1972, 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, has acquired and is the owner and operator of a well drilled at a surface location 1980 feet from the North line and 660 feet from the East line of Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to dedicate the north half of said Section 25 to the well and that with such dedication the well location will be unorthodox.

(4) That the subject well was drilled a total depth of 9150 feet into the West Atoka-Morrow Gas Pool, plugged back to a depth of approximately 7300 feet and directionally drilled to the east and south to a total depth of 9070 feet and was subsequently plugged back to a depth of 5200 feet.

(5) That the applicant now seeks, as exceptions to Rules 104 C II(a) and 111(b), authority to re-enter and clean-out the subject well to a depth of approximately 5400 feet and to

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set a whipstock at said depth and directionally drill in such a manner as to bottom the well in the West Atoka-Morrow Gas Pool at an unorthodox bottom-hole location within 50 feet of a point 500 feet from the North line and 600 feet from the East line of said Section 25.

(6) That the applicant proposes to determine the sub-surface location of the whipstock point by means of a continuous multi-shot directional survey conducted prior to said directional drilling and in the same manner to determine the sub-surface location of the directionally drilled hole at its total depth.

(7) That the evidence indicates that the entire N/2 of said Section 25 is productive of gas from the West Atoka-Morrow Gas Pool.

(8) That the entire N/2 of said Section 25 can be efficiently and economically drained and developed by the subject well.

(9) That there is evidence that a well at the proposed unorthodox location would penetrate a thicker and more productive pay section than a well at an orthodox location.

(10) That no offset operator or interest owner objected to the unorthodox location or directional drilling.

(11) That approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to re-enter a dry hole having an unorthodox surface location 1980 feet from the North line and 660 feet from the East line of Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico, set a whipstock at approximately 5400 feet and directionally drill in such a manner as to bottom the well in the West Atoka-Morrow Gas Pool at an unorthodox bottom-hole location within 50 feet of a point 500 feet from the North line and 600 feet from the East line of said Section 25.

PROVIDED HOWEVER, that prior to commencing the aforesaid directional drilling, a continuous multi-shot directional survey shall be made of the well bore with shot points not more than 100 feet apart in order to determine the sub-surface location of the whipstock point; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Commission's Artesia District Office of the date and time said survey is to

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be commenced. In the alternative, a copy of the directional survey run prior to the initial directional drilling shall be an acceptable substitute if said survey adequately locates the sub-surface whipstock point.

(2) That subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the well bore from total depth to the whipstock point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Artesia District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) That the N/2 of said Section 25 shall be dedicated to the subject well.

(5) 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

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

September 8, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. A. J. Losee
Losee & Carson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 4803
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Applicant:
Yates Petroleum Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other