

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. 9580
ORDER NO. R-8865

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 18, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 21st day of February, 1989, 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) The applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 12, Township 20 South, Range 29 East, NMPM, Undesignated East Burton Flats-Strawn Gas Pool, to test all formations from the surface to the base of the Morrow formation, Eddy County, New Mexico.

(3) The S/2 of said Section 12 is proposed to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

(4) No offset operator objected to the proposed unorthodox location.

(5) Applicant controls all of Section 12 and plans to drill a second well in the NW/4 of said Section.

(6) The proposed location would be standard for a standard proration unit comprised of the W/2 of Section 12.

(7) The evidence indicates that the W/2 of Section 12 is probably more productive than the E/2 of said section.

(8) Prior Division policy has favored granting unorthodox locations to operators when no interested parties have objected, but this may not, in the future, be in the best interest of preventing waste and protecting correlative rights.

(9) Any additional wells in Section 12 should be at a standard location to protect correlative rights and prevent waste.

(10) Because of prior Division policy, this application should be approved.

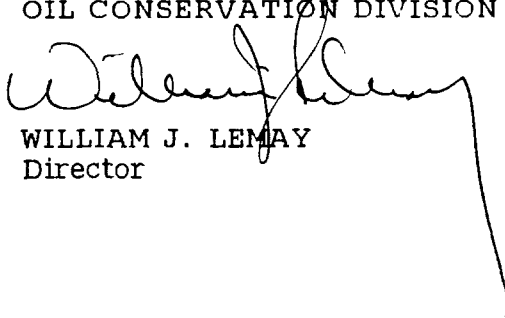
IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox gas well location for the Undesignated East Burton Flats-Strawn Gas Pool for a well to be located at a point 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 12, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby approved.

(2) Jurisdiction of this cause is 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



WILLIAM J. LEMAY
Director

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