

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. 9770
ORDER NO. R-9015

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 October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of October, 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 660 feet from the West line (Unit L) of Section 11, Township 20 South, Range 24 East, NMPM, to test the Undesignated Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(3) The S/2 of said Section 11 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

(4) The evidence presented at the hearing and information obtained from Division records indicate that the Conoco, Inc. Debbie Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 11 tested the Morrow formation as dry and non-productive.

(5) The geological evidence presented at the hearing indicates that a well at the proposed unorthodox location should penetrate the Undesignated Cemetery-Morrow Gas Pool at a more structurally advantageous position than a well at a standard gas well location thereon, thereby increasing the likelihood of obtaining commercial production.

(6) No offset operator objected to the proposed unorthodox gas well location.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox gas well location for the Undesignated Cemetery-Morrow Gas Pool is hereby approved for a well to be located at a point 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 11, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

(2) The S/2 of said Section 11 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.


(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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WILLIAM J. LEMAY
Director