

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. 9395
Order No. R-8684

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 22, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of June, 1988, 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 660 feet from the North and East lines (Unit A) of Section 12, Township 13 South, Range 32 East, NMPM, to test all formations to the base of the Mississippian formation, Lea County, New Mexico.

(3) The E/2 of said Section 12 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing.

(4) A well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pools and/or formations, will prevent the 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.

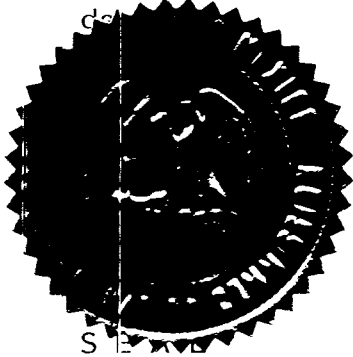
IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox gas well location for all formations to the base of the Mississippian formation is hereby approved for a well to be located at a point 660 feet from the North and East lines (Unit A) of Section 12, Township 13 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) The E/2 of said Section 12 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing.

(3) 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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director