

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. 9581
ORDER NO. R-8860

APPLICATION OF HARVEY E. YATES
COMPANY FOR AN UNORTHODOX OIL
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 January 18, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 8th 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, Harvey E. Yates Company, seeks approval of an unorthodox oil well location 1980 feet from the North line and 1370 feet from the West line (Unit F) of Section 17, Township 16 South, Range 37 East, NMPM, to test the Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.
- (3) The S/2 NW/4 of said Section 17 is to be dedicated to the well.
- (4) A well at an unorthodox location will better enable the applicant to produce the oil and 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 oil in the affected pools, 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.