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STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 12596
ORDER NO. R-8089-A

APPLICATION OF YATES PETROLEUM CORPORATION FOR POOL
CONTRACTION, POOL CREATION OR, IN THE ALTERNATIVE, AMENDMENT OF
THE SPECIAL POOL RULES AND REGULATIONS FOR THE FEATHER-MORROW
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 22, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of June, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
- (2) The applicant, Yates Petroleum Corporation ("Yates"), originally sought an order contracting the boundaries of the Feather-Morrow Pool by deleting the NW/4 of Section 28, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico. Yates further sought the creation of a new pool for Morrow production comprising the W/2 of Section 28, Township 15 South, Range 32 East, NMPM.
- (3) In the alternative, Yates sought amendment of the "*Special Pool Rules for the Feather-Morrow Pool*" to provide for 160-acre spacing and proration units.
- (4) The Feather-Morrow Pool currently comprises the SE/4 of Section 16, the S/2 and NE/4 of Section 21, the NW/4 of Section 28 and the NE/4 of Section 29, all in Township 15 South, Range 32 East, NMPM, Lea County, New Mexico.
- (5) The Feather-Morrow Pool was created by Division Order No. R-6923 dated March 9, 1982, and is currently classified as an oil pool. The discovery well for the pool was the Santa Fe Energy Company State "UTP" Well No. 1 located in Unit J of Section 21, Township 15 South, Range 32 East, NMPM. The pool is governed by Division Rule No. 104.B.(1), which requires that wells be located on a spacing unit consisting of 40 acres and that wells be located no closer than 330 feet to the outer boundary of the spacing unit.