

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR TEN UNORTHODOX GAS WELL
LOCATIONS, PECOS SLOPE-ABO GAS POOL,
CHAVES COUNTY, NEW MEXICO.

CASE NO. 11668

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an exception to the provisions of Rule 4 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool for ten unorthodox gas well locations, and in support of this application states:

1. Yates is an operator in the Pecos Slope-Abo Gas Pool which is developed pursuant to the Special Rules and Regulations for the Pecos-Slope-Abo Gas Pool which were adopted by Division Order No. R-9976-C on March 19, 1996. Pursuant to these rules, the initial well on the unit and any infill well drilled thereon shall be located no closer than 660 feet to any outer boundary of a governmental quarter section nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary (Rule 4) and that location exceptions shall only be granted after notice and hearing (Rule 5).

2. Yates seeks approval of the following unorthodox well locations in the Pecos

Slope-Abo Gas Pool:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM:

Hansel ANH Federal No. 1
Section 7: 2110' FNL & 940' FEL

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM:

Leeman OC Federal No. 5
Section 18: 2310' FSL & 2310' FEL

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM:

Thomas LN Federal No. 9
Section 10: 2310' FSL & 1300' FWL

Skinny QO State No. 8
Section 16: 660' FSL & 2310' FWL

Snell QZ No. 2
Section 31: 2310' FNL & 2310' FWL

Powers OL Federal Com. No. 11
Section 33: 385' FNL & 1680' FEL

Teckla MD Federal No. 9
Section 13: 330' FSL & 2200' FEL

Sacra SA No. 12
Section 23: 2310' FSL & 1300' FEL

Red Rock NB Federal No. 7
Section 28: 2310' FSL & 1300' FWL

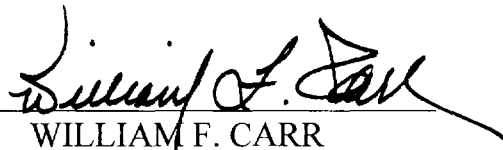
Sacra SA Com No. 13
Section 34: 2310' FSL & 1500' FEL

3. Approval of this application will be in the best interest of conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Yates Petroleum Corporation requests this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 5, 1996, and that after notice and hearing as required by law and the rules of the Division, the Division enter its order granting this application.

Respectfully submitted,

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& SHERIDAN, P.A.

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