

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

IN THE MATTER OF THE APPLICATION  
OF YATES PETROLEUM CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11874

**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 General Rule 104.C (2) (b) for an unorthodox gas well location, and in support of this application states:

1. Yates is the operator of the S/2 of Section 28, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico on which it drilled its State K No. 4 Well as a 8300 foot Canyon test at a standard location in the Canyon formation 1980 feet from the South line and 660 feet from the West line of said Section 28. The well was dry in the Canyon formation.

2. While the well was on location, Yates drilled this well to the Morrow formation and has been able to make a producing well in Cemetery Morrow-Gas Pool. The S/2 of said Section 28 is dedicated to this well and the location is unorthodox in the Morrow formation.

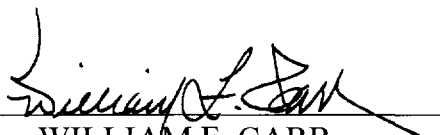
3. Yates has reviewed this location with all affected parties and all have advised Yates that they will not oppose this location.

4. 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 that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 6, 1997 and that, after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

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