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RECEIVED  
MAR 24 1998  
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March 24, 1998

**HAND-DELIVERED**

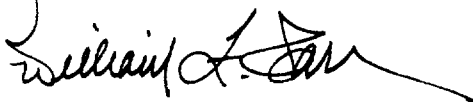
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

Re: Application of Yates Petroleum Corporation for Special Pool Rules, Eddy  
County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the docket for the April 16, 1998 Examiner hearings.

Very truly yours,



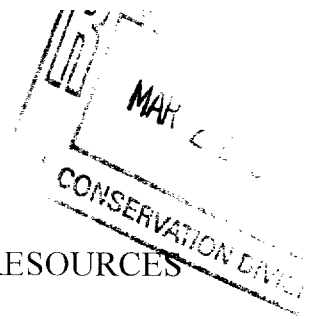
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WFC:mlh

Enclosures

cc: Mr. Tim Miller

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



IN THE MATTER OF THE APPLICATION  
OF YATES PETROLEUM CORPORATION  
FOR SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 1144

**APPLICATION**

YATES PETROLEUM CORPORATION ("Yates"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating special pool rules and regulations for the Cemetery-Wolfcamp Gas Pool to provide for 320-acre spacing and proration units and in support of this application states:

1. The Cemetery-Wolfcamp Gas Pool was established by Division Order No. R-5015, dated June 1, 1975, and has been extended from time to time to include the following acreage in Eddy County, New Mexico:

**Township 20 South, Range 24 East, NMPM**

Section 25: N/2

**Township 20 South, Range 25 East, NMPM**

Section 30: N/2, SE/4

2. Certain wells in the Cemetery-Wolfcamp Gas Pool are operated by Yates under statewide rules which provide for wells to be located on 160-acre spacing and proration units.

3. Numerous wells in this pool were originally drilled to the Morrow Formation

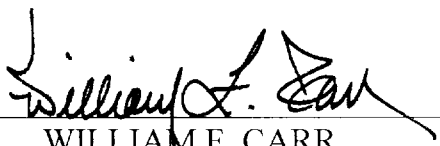
in the Cemetery-Morrow Gas Pool which is governed by Special Pool Rules and Regulations (Division Order No. R-3194) that provide for 320-acre spacing. These wells have now been recompleted in the Wolfcamp formation, Cemetery-Wolfcamp Pool. It is not economical to drill an additional well to the Wolfcamp formation on these spacing units and Special Pool Rules and Regulations which provide for 320-acre spacing for the Cemetery-Wolfcamp Pool result in the same spacing and well location requirements for each of these pools thereby permitting the same owners to share in the production from each of these formations.

4. Approval of this application will avoid unnecessary drilling, will be in the best interest of conservation and will protect correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 16, 1998, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

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

By:   
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ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

CASE 1196: Application of Yates Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause seeks the promulgation of Special Pool Rules for the Cemetary-Wolfcamp Gas Pool located in portions of Section 25 of Township 20 South, Range 24 East and Section 30 of Township 20 South, Range 25 East, NMPM, to provide for 320-acre spacing and proration units. Said area is located approximately \_\_ miles \_\_\_\_ of \_\_\_\_\_, New Mexico.