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April 27, 1999

HAND DELIVERED

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

12185

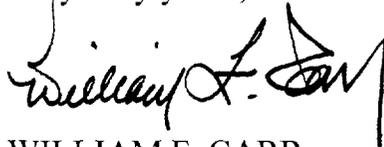
93 APR 27 PM 1:42  
OIL CONSERVATION DIV.

Re: *In the Matter of the Application of Yates Petroleum Corporation for an  
unorthodox gas well location, 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 a legal advertisement. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the May 27, 1999 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Mr. Randy Patterson  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

**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. 12185

OIL CONSERVATION DIVISION  
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**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 locations, and in support of this application states:

1. Yates is the operator of the N/2 of Section 5, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico on which it proposes to drill its Lucky Coyote “ATD” State Com Well No. 1 to a depth of approximately 9100 feet to test the Morrow formation, Undesignated Crow Flats-Morrow Gas Pool, at an unorthodox gas well location 660 feet from the North and East lines of said Section 5.

2. Yates seeks an exception to the provisions of Rule 104 C. (2) (b) of the Division’s General Rules and Regulations to permit it to drill at this unorthodox gas well location.

3. A standard 320-acre spacing and proration unit comprised of the N/2 of said Section 5 will be dedicated to the well.

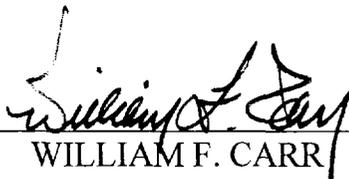
4. Approval of this application will be in the best interest of conservation, the

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 May 27, 1999 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.

By:  \_\_\_\_\_

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ATTORNEYS FOR YATES  
PETROLEUM CORPORATION

CASE 12185 : Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks authorization to drill a well to the Morrow formation, Undesignated Crow Flats-Morrow Gas Pool, at an unorthodox well location 660 feet from the North and East lines of Section 5, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The N/2 of said Section 5 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately \_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

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