

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6000
E-MAIL: ccbspa@ix.netcom.com

January 11, 2000

HAND-DELIVERED

Lori Wrottenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

12337

OIL CONSERVATION DIV
JAN 11 PM 4:56

Re: Application of Yates Petroleum Corporation for an unorthodox well location,
Chaves County, New Mexico.

Dear Ms. Wrottenbery:

Enclosed in triplicate is the application of Yates Petroleum Corporation in the above-referenced case and a proposed legal advertisement for this case. Yates Petroleum Corporation requests that this matter be set for hearing before a Division Examiner on February 3, 2000.

This case involves an application for an unorthodox gas well location in the Pecos Slope-Abo Gas Pool. The location is necessary because the standard locations on this tract are in the Roswell Gun Club's Pistol and Rifle Range. Since the location only encroaches on tracts operated by Yates, Mr. Stogner suggested that the application be styled so that in the absence of objection, the case be taken under advisement.

If you have questions concerning this matter, please advise.

Very truly yours,

William F. Carr
William F. Carr

Enclosure

cc: Mr. Doug W. Hurlbut (w/enclosures)

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

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

CASE NO. 1237

OIL CONSERVATION DIV.
11 PM 1/25/56

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Yates is a working interest owner in the NW/4 of Section 36, Township 19 South, Range 24 East, N.M.P.M., Chaves County, New Mexico, and proposes to drill its Harvest "ABR" State Well No. 2 to the Abo formation, Pecos Slope-Abo Gas Pool, at an unorthodox gas well location 660 feet from the North line and 2139 feet from the West line of said Section 36.

2. Yates originally proposed to drill this well at a standard location but must seek an unorthodox location because the original standard location is located in the Roswell Gun Club's Pistol and Rifle Range. Accordingly, Yates seeks an exception to Rule 104 C(2)(a) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.

3. A standard spacing unit comprised of the NW/4 of Section 36 should be dedicated to the well.

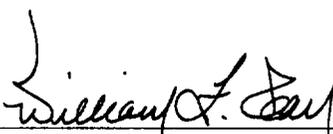
4. Special Rules and Regulations for the Pecos Slope-Abo Gas Pool were adopted by Division Order No. R-9976-C which provides that non-standard gas well locations for reasons other than a variation in the legal subdivision of the U. S. Public Lands Surveys should be authorized only after notice and hearing.

4. Approval of this application will afford the interest owners in this spacing unit the opportunity to produce their just and equitable share of the reserves under the subject unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2000, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application.

Respectfully submitted,

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

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES
PETROLEUM CORPORATION

CASE 12337: Application of Yates Petroleum Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Harvest "ABR" State Well No. 2 to the Abo formation, Pecos Slope-Abo Gas Pool, at an unorthodox well location 660 feet from the North line and 2139 feet from the West line of Section 36, Township 9 South, Range 24 East, N.M.P.M., Chaves County, New Mexico. The NW/4 of Section 36 is to be dedicated to said well. Said unit is located approximately ___ miles _____ of _____, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT

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