

**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,  
LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

OIL CONSERVATION DIV.  
00 FEB - 8 AM 11:30

**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 S/2 of Section 17, Township 15 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and proposes to drill its Wings "AUT" State #1 Well to the Morrow formation, Feather Morrow Gas Pool, at an unorthodox gas well location 560 feet from the South line and 660 feet from the West line of said Section 17.

2. The proposed well is a re-entry of the Union State 17 Well, a well that was drilled as a dry hole to 10,100 feet, and was plugged and abandoned on December 31, 1970. Yates proposes to re-enter the well and drill it to a depth of 12,700 feet, within the Morrow formation. This location in the Morrow formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-acre spacing units to be located no closer than 660 feet to the nearest section line. 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 S/2 of Section 17 should be dedicated to the well.

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 March 2, 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.

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ATTORNEYS FOR YATES  
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CASE \_\_\_\_\_: Application of Yates Petroleum Corporation for an unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Wings "AUT" State #1 Well to the Morrow formation, Feather Morrow Gas Pool, at an unorthodox well location 560 feet from the South line and 660 feet from the West line of Section 17, Township 15 South, Range 32 East, N.M.P.M., Lea County, New Mexico. The S/2 of Section 17 is to be dedicated to said well. Said unit is located approximately 22 miles West of Lovington, New Mexico.