

OIL CONSERVATION DIVISION

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May 12, 1992

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

10489

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for an unorthodox gas well location for its Hanlad "AKZ" State No. 2 Well in Chaves County, New Mexico.

We ask that this case be set for hearing on June 11, 1992, and that we be furnished with a copy of the docket for said hearing.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth
Enclosures

cc w/encl: Rob Bullock

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 10489

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant is the operator of the Precambrian formation underlying:

Township 8 South, Range 27 East, N.M.P.M.

Section 13: S/2

and proposes to drill its Hanlad "AKZ" State No. 2 Well at a point located 330' from the South line and 1,225' from the West line of said Section 13.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) of the Oil Conservation Division to permit the drilling of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Precambrian formation (6,900').

3. A 320-acre gas proration unit comprising the S/2 of said Section 13 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of

unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 330' from the South line and 1,225' from the West line of said Section 13, which is reasonably presumed to be productive of gas from the Precambrian formation.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

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P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attorneys for Applicant

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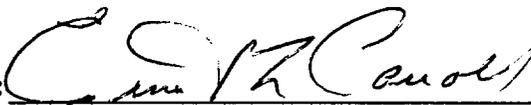
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