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JOHN FISK
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OIL CONSERVATION DIVISION
RECEIVED

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FAX
(505) 746-1208

July 30, 1992

pvw

Energy, Minerals and Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: *Diane "ALQ" Federal No. 1 Well*
Township 22 South, Range 23 East, NMPM
Section 23: N/2
Eddy County, New Mexico

10544

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number. *Done*

Please set this matter for hearing before an Examiner on September 3, 1992.

Thank you.

Very truly yours,

FISK & VANDIVER

David R. Vandiver
David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Mr. Rob Bullock
Mr. Brent May

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

**IN THE MATTER OF THE APPLICA- :
TION OF YATES PETROLEUM COR- :
PORATION OF AN UNORTHODOX :
WELL LOCATION, EDDY COUNTY, :
NEW MEXICO :**

CASE NO. 10544

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 22 South, Range 23 East, N.M.P.M.

Section 23: N/2

containing 320 acres, more or less,

and proposes to drill its Diane "ALQ" Federal No. 1 Well at a point located 660 feet from the north line and 660 feet from the west line of said Section 23 to a depth sufficient to test the Morrow formation, at approximately 9,900 feet.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location for all formations which may be developed on 320-acre spacing.

3. A standard 320-acre proration unit comprising N/2 of said Section 23 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of

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OIL CONSERVATION DIVISION
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JOHN FISK
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FAX
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August 21, 1992

Energy, Minerals and Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Case 10544

Re: NMOCD Case No. 10544
Diane "ALQ" Federal No. 1 Well
Township 22 South, Range 23 East, NMPM
Section 23: All
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Amended Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy County, New Mexico.

Please readvertise this case based upon the requests contained in the Amended Application and continue the hearing on this case until September 17, 1992.

Thank you.

Very truly yours,

FISK & VANDIVER



David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Mr. Rob Bullock
Mr. Brent May

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

**IN THE MATTER OF THE APPLICA- :
TION OF YATES PETROLEUM COR- :
PORATION FOR AN UNORTHODOX : CASE NO. 10544
WELL LOCATION, EDDY COUNTY, :
NEW MEXICO :**

AMENDED APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 22 South, Range 23 East, N.M.P.M.

Section 23: All

containing 640 acres, more or less,

and proposes to drill its Diane "ALQ" Federal No. 1 Well at a point located 660 feet from the north line and 860 feet from the west line of said Section 23 to a depth sufficient to test the Morrow formation, at approximately 9,900 feet.

2. The Applicant seeks an exception to the well location requirements of the Special Rules and Regulations for the Indian Basin–Upper Pennsylvanian Gas Pool to permit the drilling of the well at the above mentioned unorthodox location for all formations which may be developed on 640-acre spacing. The Applicant further seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location for all formations which may be developed on 320-acre spacing.

3. A standard 640-acre proration unit comprising All of said Section 23, or such lesser portion thereof as is reasonably shown to be productive of oil and gas, should be dedicated to such well for all formations which may be developed