

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, EDDY
COUNTY, NEW MEXICO

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CASE NO. 10263

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 Morrow and Cisco formations underlying:

Township 19 South, Range 24 East, N.M.P.M.

Section 14: N/2

Applicant drilled its Winston AII #1 at a point located 1980' from the north line and 660' from the west line of said Section 14 as a 10,100' Devonian oil test which proved unsuccessful. Operations are underway to test both the Morrow and Cisco formations for gas production.

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 completion of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Morrow and Cisco formations.

3. A 320-acre gas proration unit comprising the N/2 of said Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.

4. A 320-acre gas proration unit comprising the N/2 of Section 14 is presently dedicated to the Routh NU #2. Applicant intends to convert said well to a salt water disposal well if production is obtained from the Winston AII #1 and the commission grants this application.

5. 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.

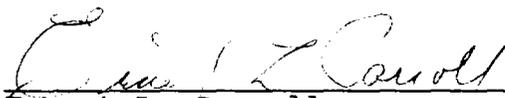
WHEREFORE, applicant prays:

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 complete its Winston AII #1 well 1980' from the north line and 660' from the west line of said Section 14, which is reasonably presumed to be productive of gas from the Morrow and Cisco formations.

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

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

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