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300 AMERICAN HOME BUILDING

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ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505

746-3508

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August 15, 1984

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: West Loco Hills Grayburg No. 4 Sand Unit

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Exception to Rule 202 of the Rules and Regulations of the New Mexico Oil Conservation Division.

We ask that this matter be set for hearing before an Examiner, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

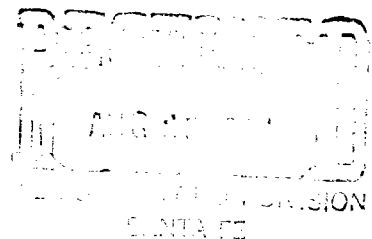
LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm  
Enclosures

cc w/enclosure: Mr. Bob Tisdale



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION FOR :  
AN EXCEPTION TO RULE 202 OF THE :  
RULES AND REGULATIONS OF THE NEW :  
MEXICO OIL CONSERVATION DIVISION :  
\_\_\_\_\_ :

CASE NO.

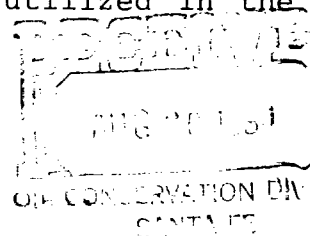
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APPLICATION

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

1. Applicant is the operator of the West Loco Hills Grayburg No. 4 Sand Unit, covering the Loco Hills Grayburg Sand, underlying 5,307.73 acres, more or less, in Townships 17 and 18 South, Range 29 East, N.M.P.M., and Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant has filed with the New Mexico Oil Conservation Division its Application for a Carbon Dioxide Injection Pilot Project covering the above described lands which is pending hearing.

2. That Applicant has, after several extensions by the Artesia office of the New Mexico Oil Conservation Division, been ordered to properly plug and abandon, or to temporarily abandon, the wells not within said unit indicated on the plat attached hereto and incorporated by reference. If the above pilot project is successful, such wells may be utilized in the



expansion of the proposed carbon dioxide project, and Applicant requests an extension of the order to so plug and abandon or temporarily abandon such wells until the success or failure of the project has been determined.

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 the Division grant an exception to Rule 202 of the Rules and Regulations of the New Mexico Oil Conservation Division, providing for an extension until July 1, 1987, of the obligation to plug or temporarily abandon existing wells in the West Loco Hills Grayburg No. 4 Sand Unit Area, pending results of the above mentioned pilot project, to determine whether such wells can be utilized in the project.

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

YATES PETROLEUM CORPORATION

By: *Chad Dickerson*  
Chad Dickerson

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Attorneys for Applicant