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BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN :
UNORTHODOX OIL WELL LOCATION, EDDY :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 8-76

APPLICATION

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

1. Applicant is the operator of the San Andres formation, underlying:

Township 16 South, Range 31 East, N.M.P.M.

Section 32: NW/4 NE/4

containing 40 acres, more or less,
and proposes to drill its Zephyr "ZQ" State No. 1 Well at a point located 330 feet from the north line and 2,600 feet from the east line of Section 32.

2. The Applicant seeks an exception to the well location requirements of Rule 104-C 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 San Andres formation.

3. A standard 40-acre oil proration unit comprising the NW/4 NE/4 of said Section 32 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil, 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 its Zephyr "ZQ" State No. 1 Well at a point 330 feet from the north line and 2,600 feet from the east line of said Section 32, and to dedicate NW/4 NE/4 of Section 32, which is reasonably presumed to be productive of oil from the San Andres formation, to said well.

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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SEP 10 1984

LAW OFFICES

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AREA CODE 505

746-3506

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September 6, 1984

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

Gentlemen:

Enclosed for filing, please find three copies of each of the following Applications of Yates Petroleum Corporation for unorthodox locations:

1. Zephyr "ZQ" State No. 1 Well in NW/4 NE/4 Section 32, Township 16 South, Range 31 East, N.M.P.M.
2. Agave "AAJ" State No. 1 Well in N/2 Section 32, Township 19 South, Range 24 East, N.M.P.M.

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

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm
Enclosures

cc w/enclosures: Mrs. Janet Richardson