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30 April 1985

*LICENSED IN TEXAS ONLY

Mr. Richard L. Stamets, Director
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an exception to special pool rules and regulations for the Bluit-San Andres Associated Pool.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Very truly yours,

LOSEE & CARSON, P.A.



A. J. Losee

AJL:jcb
Enclosures

cc w/enclosure: Mr. Eddie Mahfood
Mr. Randy Patterson

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 SPECIAL POOL RULES : CASE NO. 5-1-1
AND REGULATIONS FOR THE BLUITT-SAN :
ANDRES ASSOCIATED POOL :
_____ :

APPLICATION

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

1. Applicant is the operator of the San Andres forma-
tion, underlying:

Township 8 South, Range 38 East, N.M.P.M.

Section 20: S/2 NE/4 and N/2 SE/4

containing 160 acres, more or less,
in Roosevelt County, New Mexico, and has drilled its Bluestem "ZL"
Federal No. 1 Well as a gas well located at a point 1,650 feet from
the North line and 2,310 feet from the East line of Section 20, and
proposes to dedicate the S/2 NE/4, N/2 SE/4 Section 20 to said well.

2. New Mexico Oil Conservation Commission Order No.
R-5353 with respect to the Bluitt-San Andres Associated Pool re-
quires that a standard gas proration unit shall be 320 acres and
that each gas well shall be located not closer than 990 feet to the
quarter section line nor closer than 330 feet to any quarter-
quarter section line.

3. Applicant seeks an exception to Order No. R-5353 with respect to special rules for the Bluitt-San Andres pool, to permit applicant to complete its well at a point located 1,650 feet from the North line and 2,310 feet from the East line of said Section 20 and to dedicate the S/2 NE/4, N/2 SE/4 of Section 20 to said well.

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 an exception to Order No. R-5353 with respect to the Bluitt-San Andres pool, permitting applicant to complete its Bluestem "ZL" Federal No. 1 Well as a gas well located at a point 1,650 feet from the North line and 2,310 feet from the East line of said Section 20, and to dedicate the S/2 NE/4, NW/4 SE/4 said Section 20 to said well.

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

YATES PETROLEUM CORPORATION

By: 
A. J. Losee

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Attorneys for Applicant