

April 1, 1986

*m.s.*

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

Re: Mollie "QD" Com. No. 1 Well  
Township 19 South, Range 24 East, NMPM  
Section 13: S/2  
Eddy County, New Mexico

*Case 8881*

Gentlemen:

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

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,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm  
Enclosures

cc w/enclosure: Ms. Kathy Colbert  
Mr. Ray Beck

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 LOCA- :  
TION, EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

CASE NO. 5881

APPLICATION

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

1. Applicant is the operator of all formations from the top of the Wolfcamp formation to the base of the Morrow formation, underlying:

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

Section 13: S/2

containing 320 acres, more or less,  
and proposes to drill its Mollie "QD" Com. No. 1 Well at a point located 660 feet from the south line and 660 feet from the east line of said Section 13.

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 to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the S/2 of said Section 13 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

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 Applicant permission to drill its Mollie "QD" Com. No. 1 Well at a point 660 feet from the south line and 660 feet from the east line of said Section 13, and to dedicate the S/2 of Section 13 to said well.

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

YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

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Attorneys for Applicant