



October 9, 1987

Case 9249

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

Re: Eastern Shore "QW" Federal No. 2 Well
Township 19 South, Range 27 East, NMPM
Section 8: S/2
Eddy County, New Mexico

Gentlemen:

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

We ask that this matter be set for hearing before an Examiner on November 4, 1987, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pv
Enclosures

cc w/enclosure: Mr. Ray Beck
Ms. Janet Richardson

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 92 74

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 Wolfcamp through the base of the Pennsylvanian system, underlying:

Township 19 South, Range 27 East, N.M.P.M.

Section 8: S/2

containing 320 acres, more or less,
and proposes to drill its Eastern Shore "QW" Federal No. 2 Well,
at a point located 2,310 feet from the south line and 660 feet
from the west line of said Section 8.

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 all formations from the Wolfcamp through the base of the Morrow series of the Pennsylvanian system, at approximately 10,200 feet.

3. A standard 320-acre gas proration unit comprising the S/2 of said Section 8 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and 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 Eastern Shore "QW" Federal No. 2 Well at a point 2,310 feet from the south line and 660 feet from the west line of said Section 8, and to dedicate the S/2 of Section 8 to said well.

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

YATES PETROLEUM CORPORATION

By: 
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Attorneys for Applicant