

David Catanach, Hearing Examiner
January 28, 2000
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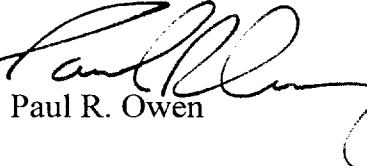
unorthodox well location should be able to efficiently produce the reserves in this reservoir under the NW/4 of said Section 36. The well is only encroaching on an interior quarter-quarter section line, the correlative rights of no interest owner will be adversely impacted by a well at this proposed unorthodox location. Accordingly, there are no affected persons as defined in Rule 1207.A to whom notice of this application should be provided. Finally, although the proposed unorthodox location is only unorthodox by 159 feet, the well can not be economically drilled to a standard subsurface location.

I have enclosed an affidavit from Doug Hurlbut, a landman with Yates, explaining the necessity for the unorthodox location. Attached to that Affidavit are a topographic map showing the location of roads and bunkers at the Roswell Gun Club's Pistol and Rifle Range, photographs which show the well location originally proposed by Yates, which location is squarely in the line of fire at the rifle range, and a plat showing the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells.

It is essential that the application be approved immediately following the hearing, because the Roswell Gun Club's Rifle and Pistol Range will be closed during February, 2000, but will reopen March 1. Yates will not be able to drill the well if approval of the application is delayed past the first few days in February.

We will appreciate your letting us know, as soon as possible, whether you will require Yates to present additional live testimony and exhibits at the February 3 hearing, and whether the application can be approved following the hearing.

Thank you for your assistance in this case.

Very truly yours,

Paul R. Owen

which is governed by Special Rules and Regulations adopted by Division Order Nos. R-9976-C which provide for gas wells to be located on standard units containing 160-acres (Rule 2) with wells to be located no closer than 660 feet to from the outer boundary of the proration unit nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary (Rule 4).

5. This proposed unorthodox well location for the Harvest "ABR" State Well No. 2 is only unorthodox because it is only 501 feet from the outer boundary of the dedicated 160-acre spacing unit in the Pecos Slope-Abo Gas Pool. This unorthodox location is required by topographical conditions.

6. The Harvest "ABR" State Well No. 2 was originally proposed by Yates at a standard location 660 feet from the North line and 1980 feet from the West line of Section 36. However, because it is located in the Roswell Gun Club's Pistol and Rifle Range it was necessary to move the well location to the east 159 feet. A well at this unorthodox well location should be able to efficiently produce the reserves in this reservoir under the NW/4 of said Section 36. A topographic map showing the location of roads and bunkers at the Roswell Gun Club's Pistol and Rifle Range is enclosed as Exhibit A to this affidavit.

7. Exhibit B to this affidavit consists of four photographs which show the well location originally proposed by Yates, which location is squarely in the line of fire at the rifle range.

8. Attached to this affidavit as Exhibit "C" is a plat showing the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Since the well is only encroaching on an interior quarter-quarter section line, the correlative rights of no interest owner will be adversely impacted by a well at this proposed unorthodox location. Accordingly, there are no affected persons as defined in Rule 1207.A to whom notice of this application should be provided.

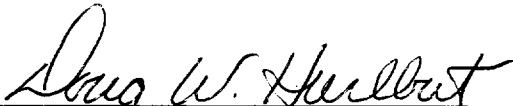
9. Although the proposed unorthodox location is only unorthodox by 159 feet, the well can

not be economically drilled to a standard subsurface location. The added expense and risk associated with directionally drilling the well to a standard subsurface location will render the project not economically feasible for Yates, and the hydrocarbons under the subject spacing area, which might otherwise be produced, will be wasted.

10. The Roswell Gun Club's Rifle and Pistol Range will be closed during February, 2000, but will reopen March 1. It is essential that the application be approved as soon as possible, because Yates will not be able to drill the well if approval of the application is delayed past the first few days in February.

11. The approval of Yates' Application in this case will be in the best interest of conservation, will prevent waste of hydrocarbons, and will protect correlative rights.

FURTHER AFFIANT SAYETH NAUGHT.



Doug W. Hurlbut

SUBSCRIBED AND SWORN TO before me this 27 th day of January, 2000, by Doug W. Hurlbut



Notary Public

My commission expires:

1-8-2004

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

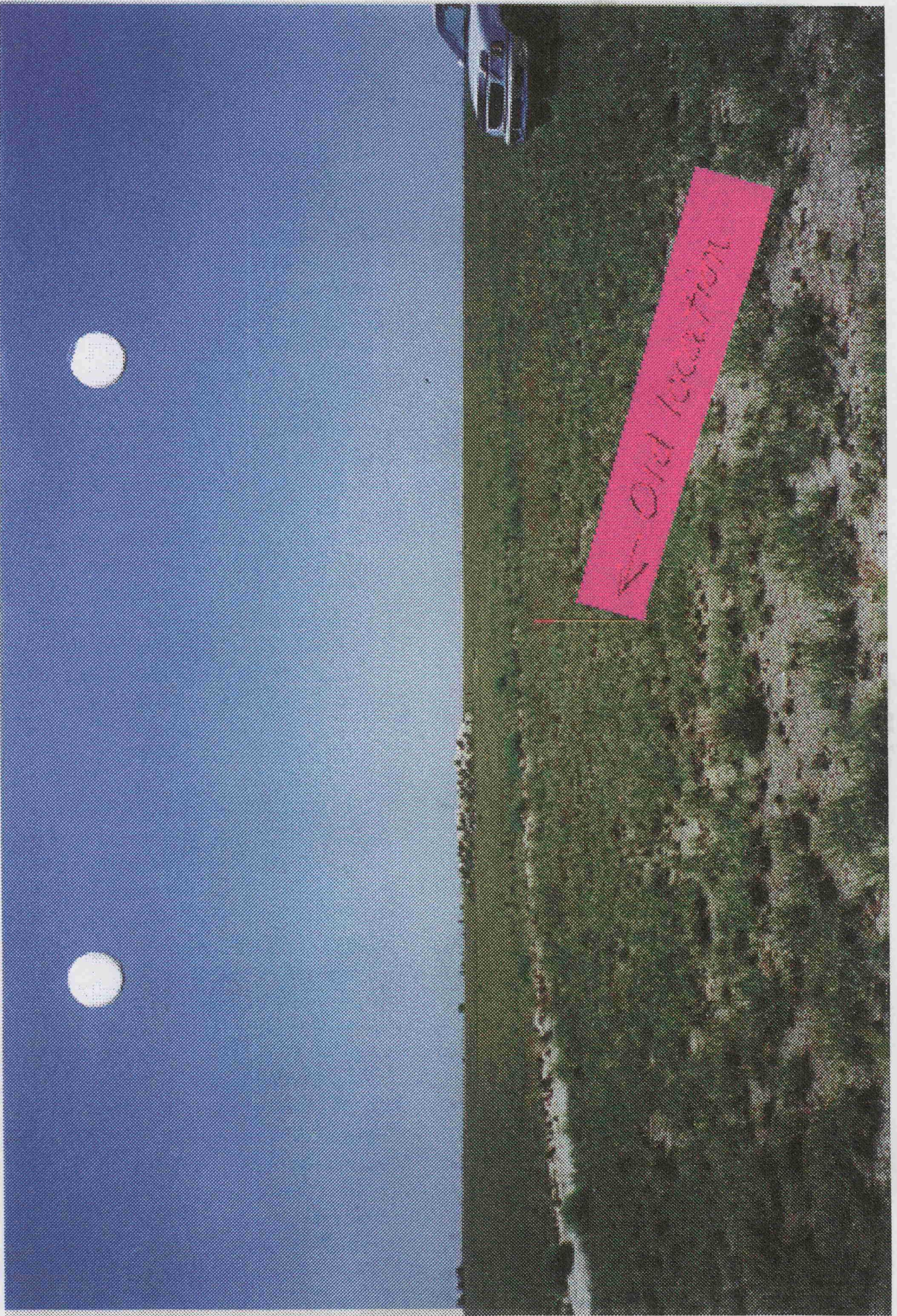
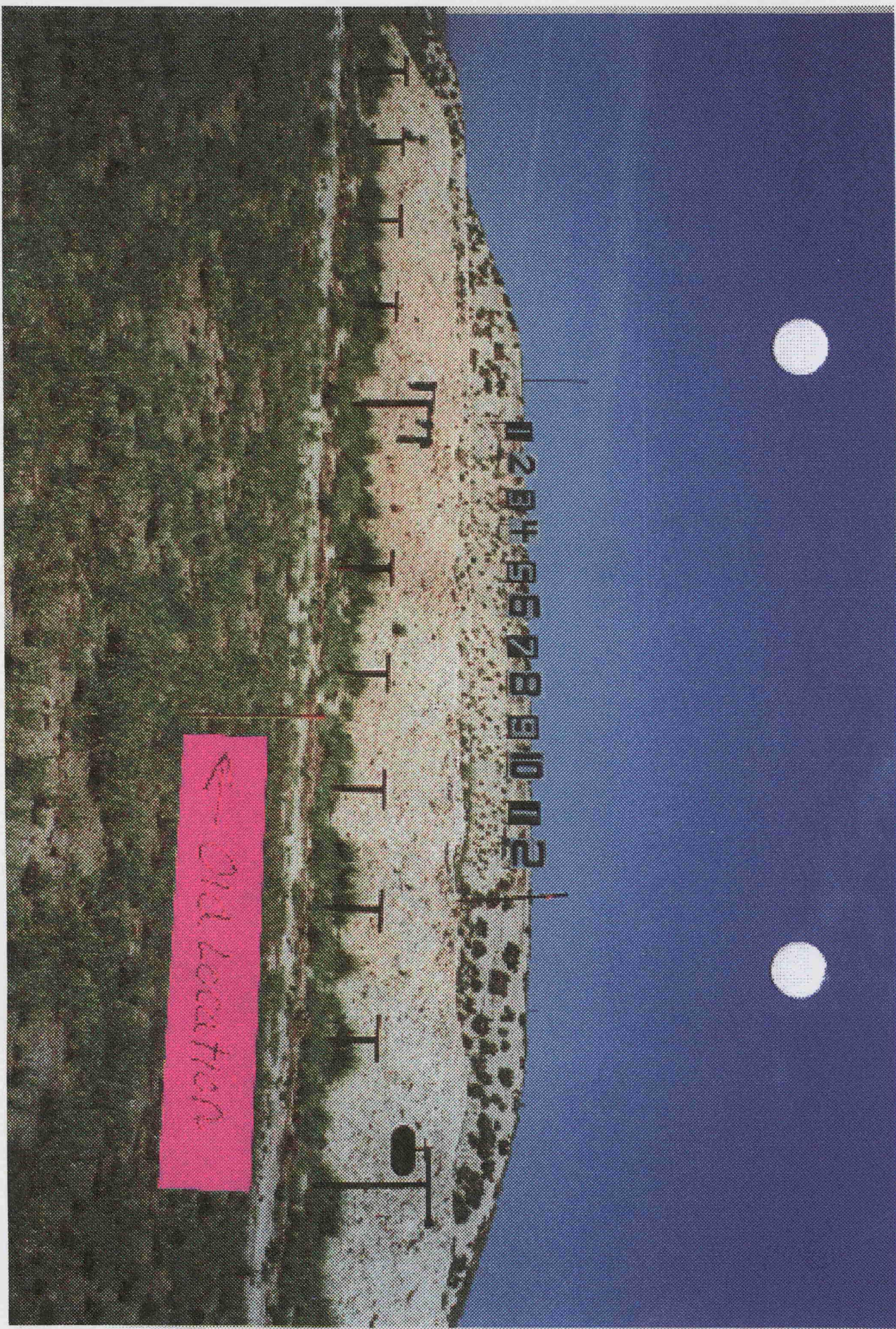
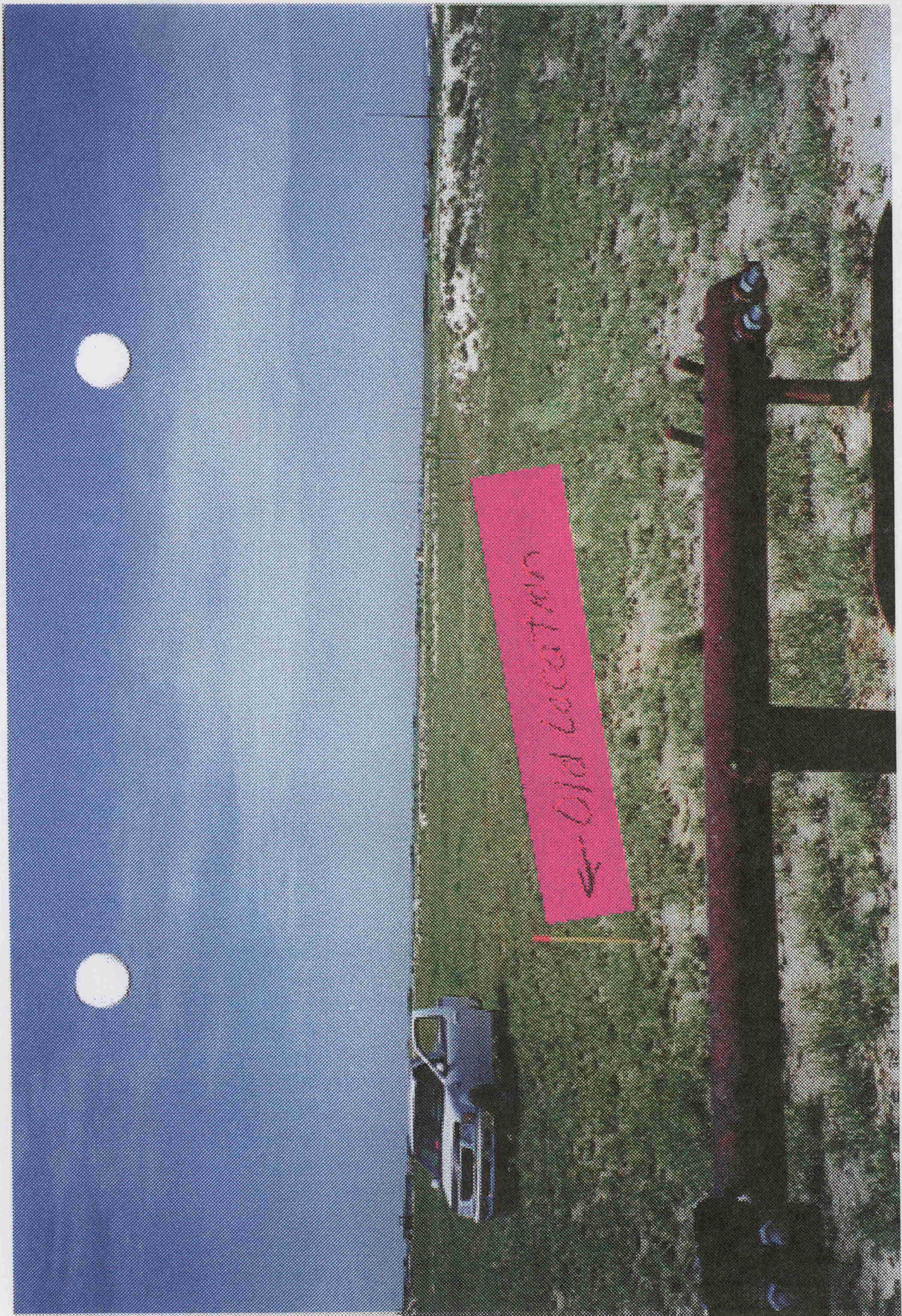


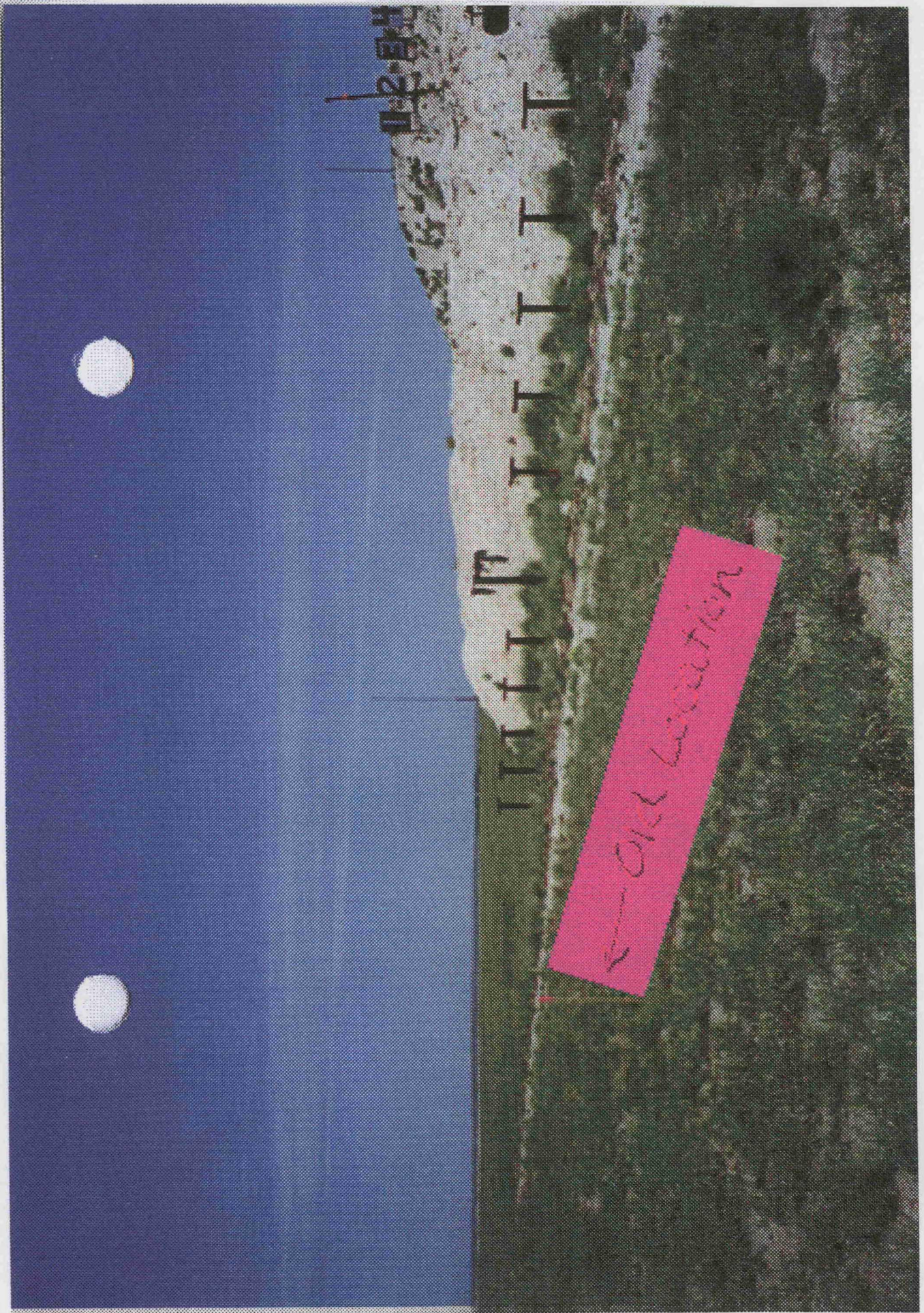
EXHIBIT B



← Old Location



← Old location



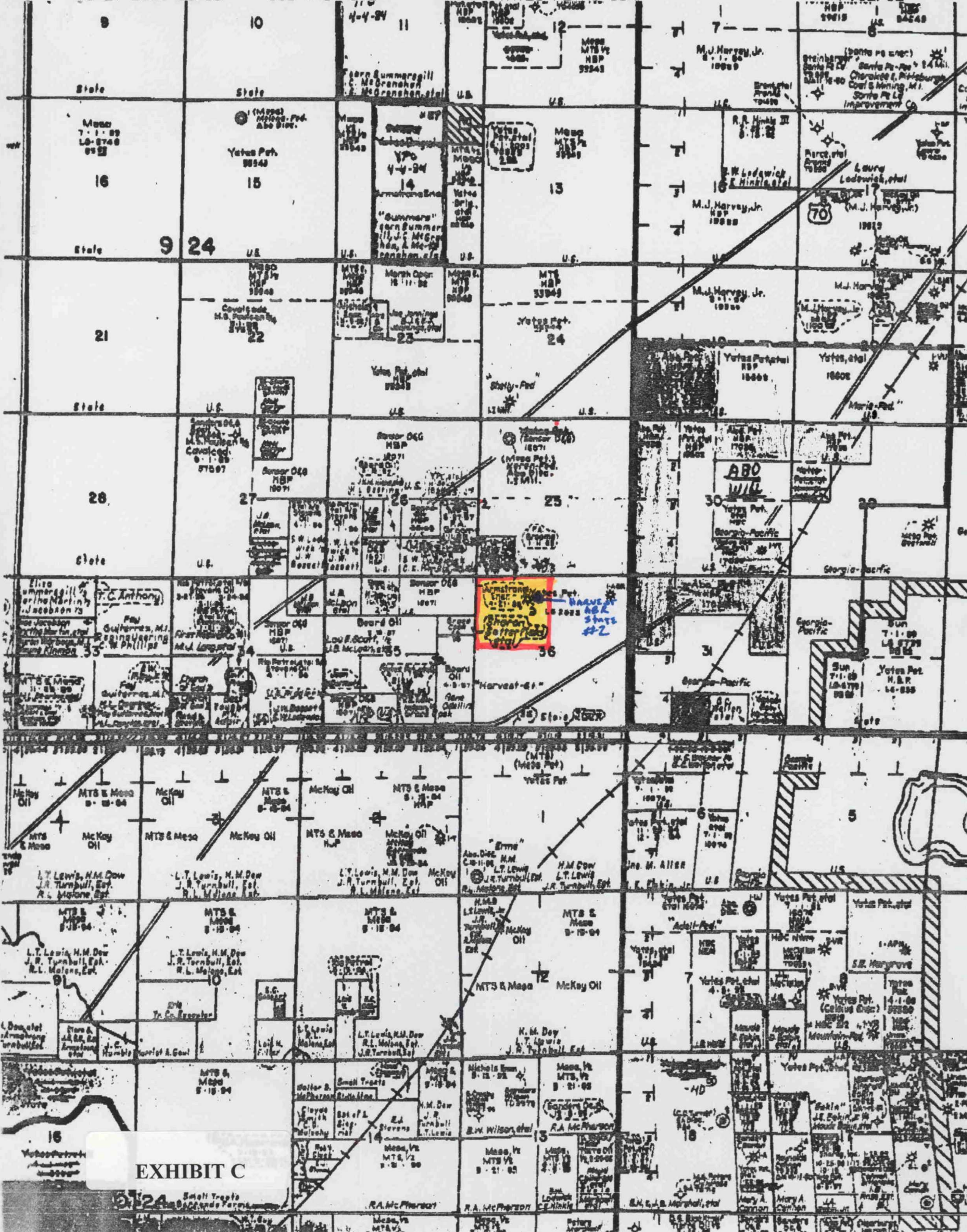


EXHIBIT C

24 Small Tracts