BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.   CASE NO. _11438_

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby

makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an

order approving an unorthodox well location, and in support thereof states:

1.   Applicant is the operator of the W/2 of Section 29, Township 23 South, Range

25 East, N.M.P.M., Eddy County, New Mexico and proposes to drill its Opuntia Draw APK

State Com No. 1 Well as a gas well to test all formations to the base of the Morrow

formation, at an unorthodox location 1365 feet from the South line and 660 feet from the

west line in Unit I of said Section 29.

2.   Applicant seeks an exception to the Division's well location requirements to

permit the drilling of said well to an approximate depth of 11,200 feet to test all formations

to the base of the Morrow formation, Undesignated Dark Canyon-Pennsylvanian Gas Pool,

at the above-described location.

3.   A standard 320-=acre proration unit comprised of the W/2 of said Section 29

should be dedicated to the well.

4.   Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the gas in the Morrow formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and prevention of waste.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 7, 1995 and, after notice and hearing as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

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