

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. 11539

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby makes application for an order approving an unorthodox well location, and in support thereof states:

1. Applicant is the operator of the S/2 of Section 4, Township 20 South, Range 24 East, N.M.P.M., Eddy County, New Mexico and proposes to drill its Mimosa AHS Federal No. 3 Well as a gas well to test all formations to the base of the Morrow formation, at an unorthodox location 660 feet from the South line and 330 feet from the East line in Unit P of said Section 4.

2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well to an approximate depth of 9,200 feet to test all formations to the base of the Morrow formation, including but not limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool, at the above-described location.

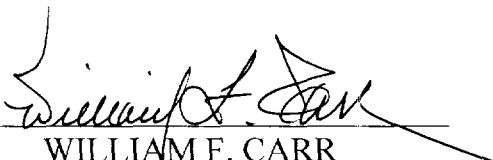
3. A standard 320-acre proration unit comprised of the S/2 of said Section 4 should be dedicated to the well.

4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the hydrocarbons underlying this spacing and proration unit 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 May 30, 1996 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,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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