

OIL CONSERVATION DIV.  
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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

**CASE NO. 12498**

**APPLICATION**

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Yates is a working interest owner in the W/2 of Section 8, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Chosa "ATR" Federal Well No. 1 (API No. 30-015-31215) to the Morrow formation, Undesignated Chosa Draw-Morrow Gas Pool, to an approximate depth of 12,000 feet, at an unorthodox gas well location 2250 feet from the South line and 1060 feet from the West line of said Section 8.

2. Yates originally proposed to drill this well at a standard location but has had to move the well to an unorthodox location because of the Black River to the south, a cave to the northwest, and archeological sites to the west and south of the original proposed location. Accordingly, Yates seeks an exception to Rule 104 C(2)(a) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.

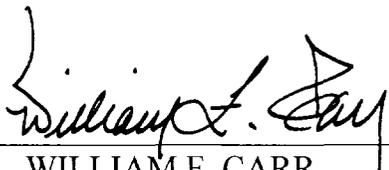
3. A standard spacing unit comprised of the W/2 of Section 8 will be dedicated to the well.

4. Approval of this application will afford the interest owners in this spacing unit the opportunity to produce their just and equitable share of the reserves under the subject unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 2000, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application.

Respectfully submitted,

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

By:   
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ATTORNEY FOR YATES  
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CASE 17498 : Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Chosa "ATR" Federal Well No. 1 (**API No. 30-015-31215**) to the Morrow formation, Undesignated Chosa Draw-Morrow Gas Pool, at an unorthodox well location 2250 feet from the South line and 1060 feet from the West line (Unit L) of Section 8, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. The W/2 of Section 8 is to be dedicated to said well. Said unit is located approximately 18 miles southwest of Carlsbad, New Mexico.