

CONCESSION DIVISION
LOSEE, CARSON, HAAS & CARROLL, P. A.
REGISTERED

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June 27, 1994

11019

VIA FACSIMILE

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation
for an Unorthodox Gas Well Location, Eddy
County, New Mexico

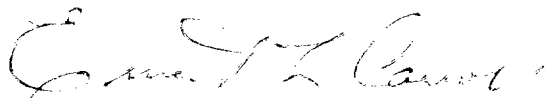
Dear Mr. LeMay:

I am enclosing herewith for filing an original plus one copy of
Yates' Application for an Unorthodox Gas Well Location, for its
Llama ALL Fed. #1 Well. We would ask that this case be heard by
the Division on July 21, 1994.

Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Encl.

xc w/encl: Ms. Mecca Mauritsen

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

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CASE NO. 11019

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 22 South, Range 31 East, N.M.P.M.

Section 7: S/2

and proposes to drill its Llama ALL Fed. #1 at a point located 330' from the South line and 950' from the West line of said Section 7.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) 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 the Morrow formation (14,300').

3. A 319.81-acre gas proration unit comprising the S/2 of said Section 7 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of 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 a well 330' from the South line and 950' from the West line of said Section 7, which is reasonably presumed to be productive of gas from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

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Attorneys for Applicant