

January 24, 1989

*Case 9604*

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Pierre State No. 1 Well  
Township 18 South, Range 27 East, NMPM  
Section 26: N/2  
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on February 15, 1989.

Thank you.

Sincerely yours,

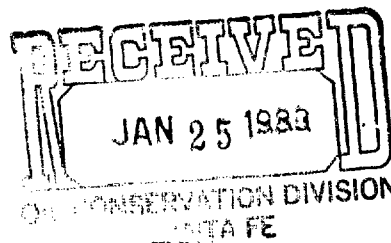
DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Mr. Cy Cowan  
Mr. Ray Beck



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

RECEIVED

JAN 25

OIL CONSERVATION DIVISION

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

CASE NO. 9604

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 18 South, Range 27 East, N.M.P.M.

Section 26: N/2

containing 320 acres, more or less,  
and proposes to drill its Pierre State No. 1 Well at a point located 660 feet from the north line and 660 feet from the east line of said Section 26 to a depth sufficient to test all formations from the surface through the base of the Morrow formation, at approximately 10,500 feet.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox

location for all formations from the top of the Wolfcamp formation through the base of the Morrow formation which may be developed on 320-acre spacing.

3. A standard 320-acre proration unit comprising the N/2 of said Section 26 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and 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 its Pierre State No. 1 Well at a point 660 feet from the north line and 660 feet from the east line of said Section 26, and to dedicate the N/2 of Section 26 to said well for production from all formations which may be developed on 320-acre spacing.

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

YATES PETROLEUM CORPORATION

By: *Chad Dickerson*  
Chad Dickerson

DICKERSON, FISK & VANDIVER  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant

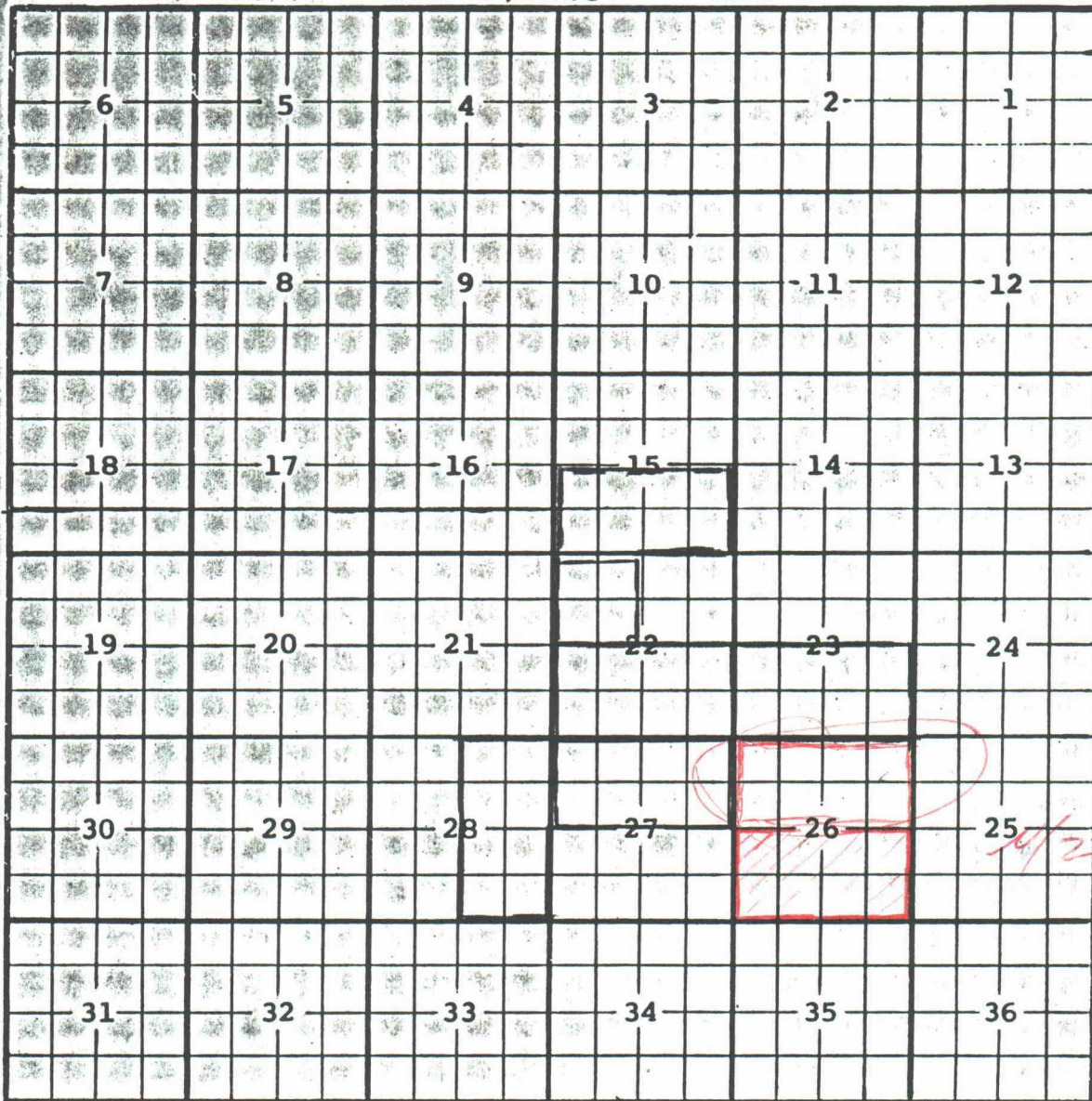
COUNTY Eddy

POOL Red Lake - Atoka - Morrow Gas

TOWNSHIP 18 South

RANGE 27 East

NMPM



Description:  $\frac{1}{2}$  Sec. 27 (R-3342, 12-1-67) EXT:  $\frac{5}{2}$  Sec. 22,  $\frac{5}{2}$  Sec. 23,  $\frac{E}{2}$  Sec. 28 (R-6170, 11-1-79)

Extend vertical limits to include Atoka formation and redesignate as East Atoka Atoka - Morrow Gas Pool (R-7502, 4-20-84)

Redesignate as Red Lake, Atoka - Morrow Gas Pool (R-7555, 6-14-84)

EXT: NW/4 SEC. 22 (R-8522, 10/1/87) EXT:  $\frac{5}{2}$  SEC. 15 (R-8665, 6/9/88)

SECTION 26

TOWNSHIP 18 South

RANGE 26 East

	<p>Scanv Mkt. Oil Company Inc. New Mexico 7 well No. 1 1980 F.W.V.M.E. Spud: 6/28/57 Prod. 5/16/61 Artesia Completion</p>		
	<p>HIS Oil Company Western Development Well No. 1 1650 F.W.V.M.E. Spud: 10/10/60 Artesia Completion</p>	<p>HIS Oil Company Western Development Well No. 1 1650 F.W.V.M.E. Spud: 10/10/60 Artesia Completion</p>	
	<p>HIS Oil Company Western Development Well No. 2 1980 F.W.V.M.E. Spud: 4/3/61 Artesia Completion</p>	<p>Yates Drilling Co. Artesia Meter Unit Well No. 5D 1000 F.W.V.M.E. Spud: 8/10/59 Artesia Completion</p>	<p>Yates Drilling Co. Artesia Meter Unit Well No. 5I 330 F.W.V.M.E. Spud: 4/26/51 Artesia Completion</p>

Yates Drilling Company  
Artesia Meter Unit Well  
No. 2b  
330 F.W.V.M.E.  
Spud: 3/9/50  
Artesia Completion

Yates Drilling Company  
Artesia Meter Unit  
Well No. 3S  
1650 F.W.V.M.E.-330 F.W.V.M.E.  
Spud: 4/27/50  
Artesia Completion  
Completed 4/5/50

Yates Drilling Company  
Artesia Meter Unit Well No. 4V  
1650 F.W.V.M.E.-330 F.W.V.M.E.  
Spud: 2/21/51  
Artesia Completion

