

Oil Division

LAW OFFICES

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

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3508
TELECOPY
(505) 746-6316

50 OCT 17 AM 8 42

October 15, 1990

19145
Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Application of Yates Petroleum Corporation for an Order Establishing Special Field Rules for the Avalon-Delaware Pool.

We ask that this case be set for hearing, after allowing twenty days for notice to offset operators, and that we be furnished with a copy of the docket for said hearing.

Very truly yours,

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


Ernest L. Carroll

ELC:kth
Enclosures

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

RECEIVED

DEC 1 1990

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN :
ORDER ESTABLISHING SPECIAL FIELD RULES : OIL CONSERVATION DIVISION
FOR THE AVALON-DELAWARE POOL : Case No. 16145

APPLICATION

1. Applicant is the operator of the following wells, each of which is producing from the Avalon-Delaware Pool, Eddy County, New Mexico:

<u>Well Name</u>	<u>Location</u>
Stonewall "EP" No. 3	545' FSL/1960 FWL S-19, T-20-S, R-28-E
Stonewall "EP" No. 5	2310' FNL/990 FWL S-30, T-20-S, R-28-E
Stonewall "EP" No. 8	2310' FNL/1980 FWL S-30, T-20-S, R-28-E
Stonewall "WM" No. 1	560' FSL/1980 FEL S-30, T-20-S, R-28-E
Stonewall "WM" No. 3	330' FSL/1980 FWL S-30, T-20-S, R-28-E
Stonewall "WM" No. 4	330' FSL/990 FWL S-30, T-20-S, R-28-E
Stonewall "WM" No. 5	1650' FSL/1980 FWL S-30, T-20-S, R-28-E
Stonewall "WM" No. 6	1650' FSL/990 FWL S-30, T-20-S, R-28-E

2. On July 1, 1980, the Commission, in Order No. R-63-68 established the Avalon-Delaware Pool. At this time, no special field rules or regulations for that pool have been established. The gas-oil ratio limitation is, therefore, set by statewide rule 506 which creates a limitation of 2,000 cubic feet of gas per barrel of oil produced.

3. The Applicant seeks to have established a special field rule setting the gas-oil ratio limitation for the Avalon-Delaware Pool at 7,500 cubic feet of gas per barrel of oil produced.

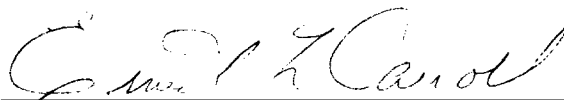
4. The approval of this application will afford Applicant the opportunity to produce its just and equitable share of gas and oil, and such amendment is feasible in accordance with good conservation practices, and will otherwise prevent waste, and protect correlative rights.

WHEREFORE, Applicant prays:

A. That this application be set for a 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 establishing a special field rule for the Avalon-Delaware Pool setting a gas-oil ratio at 7,500 cubic feet of gas per barrel of oil produced.

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



Ernest L. Carroll
LOSEE, CARSON, HAAS & CARROLL, P.A.
P.O. Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3508

Attorneys for Applicant, Yates
Petroleum Corporation