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15 October 1985

Mr. Richard L. Stamets, Director
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Handwritten initials: RPL

Re: Case No. 8614, Order No. R-8025

Dear Mr. Stamets:

Enclosed are three copies of the Application of Yates Petroleum Corporation for de novo hearing in the subject case.

Very truly yours,

LOSEE & CARSON, P.A.

Handwritten signature of A. J. Losee

A. J. Losee

AJL:jcb
Enclosures

cc w/enclosure: Mr. Randy Patterson
Mr. William F. Carr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION FOR : CASE NO. 8614
AN EXCEPTION TO SPECIAL POOL RULES : Order No. R-8025
AND REGULATIONS FOR THE BLUITT-SAN :
ANDRES ASSOCIATED POOL :
_____ :

APPLICATION FOR DE NOVO HEARING

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

1. That on September 18, 1985 the Oil Conservation Division entered its Order No. R-8025 (the "Order") approving an Exception to the Special Rules and Regulations for the Bluitt-San Andres Associated Pool, as promulgated by Division Order No. R-5353, as amended, authorizing an unorthodox gas well location and a 160-acre non-standard gas spacing and proration unit for the Yates Petroleum Corporation Bluestem "ZL" Federal No. 1 well located 1,650 feet from the North line and 2,310 feet from the East line of Section 20, Township 8 South, Range 38 East, N.M.P.M., Roosevelt County, New Mexico.

2. There is no substantial evidence to support the implied determination in the Order that the said Bluestem "ZL" Federal Well No. 1 has an advantage of 66% over adjoining acreage.

3. The Order does not establish a reasonable minimum calculated allowable for the said Bluestem "ZL" Federal No. 1 Well.

4. The formula utilized in the Order to establish the gas allowable for the said well is arbitrary and capricious.

5. Yates Petroleum Corporation is adversely affected by said Order.

WHEREFORE, Yates Petroleum Corporation prays:

A. That its application for an exception to Special Pool Rules for the Bluit-San Andres Pool, Roosevelt County, New Mexico, be heard de novo by the Commission.

B. That upon hearing the Commission enter its order approving the application to authorize the unorthodox gas well location for the Bluestem "ZL" Federal No. 1 Well located 1,650 feet from the North line and 2,310 feet from the East line of said Section 20, Township 18 South, Range 38 East, N.M.P.M., and to dedicate the S/2 NE/4, N/2 SE/4 of said Section 20 to form a non-standard 160-acre gas spacing and proration unit for said well.

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

YATES PETROLEUM CORPORATION

By: 

A. J. Losee

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Attorneys for Applicant