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JOHN FISK
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May 31, 1990

Case
9964
M.S.

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

Re: Case No. 9964
Lusk "AHB" Federal No. 1 Well
Township 19 South, Range 32 East, NMPM
Section 35: N/2
Lea County, New Mexico

Gentlemen:

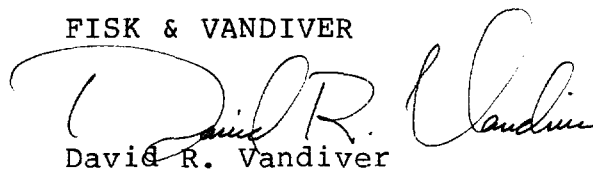
Enclosed for filing, please find three copies of the Amended Application of Yates Petroleum Corporation for an Unorthodox Well Location, Lea County, New Mexico.

Please set this matter for hearing before an Examiner on June 27, 1990.

Thank you.

Very truly yours,

FISK & VANDIVER


David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Mr. Rob Bullock

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, : CASE NO. 9964
LEA COUNTY, NEW MEXICO :
_____ :

AMENDED 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 Lea County, New Mexico:

Township 19 South, Range 32 East, N.M.P.M.

Section 35: N/2

containing 320 acres, more or less,

and has drilled its Lusk "AHB" Federal No. 1 Well at a point located 800 feet from the north line and 1,650 feet from the east line of said Section 35. The well was drilled to a total depth of 13,936 feet and completed in the Morrow formation through perforations between 13,616 feet and 13,624 feet.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the production of gas from the Morrow formation at the above mentioned unorthodox location.

3. A standard 320-acre proration unit comprising the N/2 of said Section 35 should be dedicated to such well.

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.

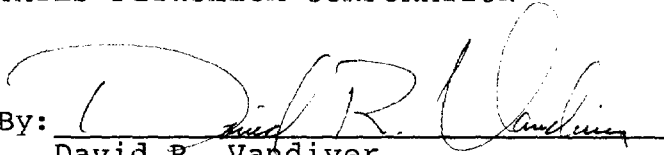
WHEREFORE, Applicant prays:

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 produce gas from its Lusk "AHB" Federal No. 1 Well, located at a point 800 feet from the north line and 1,650 feet from the east line of said Section 35, and to dedicate the N/2 of Section 35 to said well for production from the Morrow formation.

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

YATES PETROLEUM CORPORATION

By: 
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