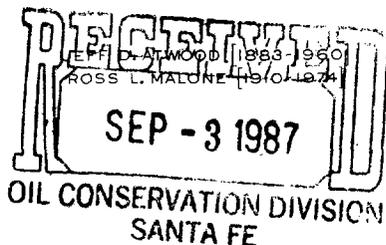


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September 1, 1987

Oil Conservation Division  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

*Case 9216*

Attn: Mike Stogner

RE: Horizontal Drain Hole Project

Gentlemen:

Enclosed please find an original and two copies of an Application in the above referenced matter.

This matter has been previously set for Hearing on September 23, 1987 on the examiner docket. If you have any questions, please do not hesitate to call.

Very truly yours,

ROBERT H. STRAND

RHS/sj

Enc.

BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF HARVEY E. YATES COMPANY FOR )  
A HORIZONTAL DRAIN HOLE PROJECT, )  
LEA COUNTY, NEW MEXICO ) CASE NO. 9216

APPLICATION

COMES NOW Harvey E. Yates Company by it's attorneys  
and respectfully states:

1. Applicant is the operator of the Bone Spring  
formation underlying:

Township 18 South, Range 32 East, N.M.P.M.  
Section 9: NE/4 NE/4  
Lea County, New Mexico

2. Applicant proposes to re-enter its Young Deep  
Unit #8 Well located 660 feet from the North line and 860 feet  
from the East line of Section 9, T.18S, R.32E., N.M.P.M., Lea  
County, New Mexico and deepen such well through the North Bone  
Springs Pool to an approximate total depth of 9,000 feet and  
to drill multiple short radius drain holes extending laterally  
a maximum of 400 feet and bottoming in the Bone Springs  
formation.

3. Applicant seeks permission pursuant to Rule 111  
of the Rules of the Oil Conservation Division to carry out the  
above described directional drilling operations, subject to  
the requirements of said rule and any Order entered herein by

the Division.

4. The approval of this Application will prevent the excessive risk and economic loss caused by drilling unnecessary wells, and will otherwise promote conservation, prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

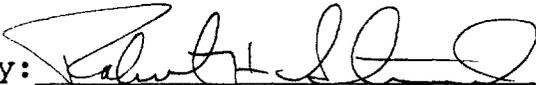
A. That this Application be set for Hearing before an examiner and that Notice of said Hearing be given as required by the Rules of the Division.

B. That upon such Hearing, the Division enter it's Order granting applicant permission to carry out the directional drilling operations as described above.

C. For such further relief as the Division deems just and proper.

DATED this 1st day of September, 1987.

ATWOOD, MALONE, MANN & TURNER, P.A.

By: 

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