



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION :  
FOR TIGHT FORMATION DESIGNATION, :  
EDDY COUNTY, NEW MEXICO :

CASE NO. 7352

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and states:

1. Applicant is the owner of interests in the Permo-Penn formation underlying portions of the lands described on Exhibit "A" attached hereto and incorporated by reference.
2. Said formation underlying the lands described in Exhibit "A" is expected to have an average in situ gas permeability throughout the pay section 0.1 millidarcy or less.
3. The average depth to the top of said formation is 6,460 feet. The stabilized production rate, either at atmospheric pressure or calculated against atmospheric pressure of wells completed for production in the formation without stimulation, is not expected to exceed 217 MCF of gas per day.
4. No well drilled into said formation underlying the lands described on Exhibit "A" is expected to produce more than five barrels of crude oil per day prior to application of stimulation techniques or processes.

WHEREFORE, Applicant prays that the Division enter its Order recommending to the Federal Energy Regulatory Commission that, pursuant to Section 107 of the Natural Gas Policy Act of 1978, and 18 C.F.R. §271.701, the Permo-Penn Reservoir underlying the lands described in Exhibit "A" be designated as a tight formation, together with such other and further relief as the Division deems proper.

YATES PETROLEUM CORPORATION

By: Chad Dickerson

Chad Dickerson

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Artesia, New Mexico 88210

Attorneys for Applicant

EXHIBIT "A"

Township 17 South, Range 24 East, N.M.P.M.

All Sections

Township 17 South, Range 25 East, N.M.P.M.

All Sections

Township 17 South, Range 26 East, N.M.P.M.

All Sections

Township 18 South, Range 24 East, N.M.P.M.

All Sections

Township 18 South, Range 25 East, N.M.P.M.

All Sections

Township 19 South, Range 23 East, N.M.P.M.

All Sections

Township 19 South, Range 24 East, N.M.P.M.

All Sections

Township 19 South, Range 25 East, N.M.P.M.

All Sections

Township 20 South, Range 21 East, N.M.P.M.

All Sections

Township 20 South, Range 23 East, N.M.P.M.

All Sections

Township 20 South, Range 24 East, N.M.P.M.

All Sections

Township 20-1/2 South, Range 21 East, N.M.P.M.

All Sections

Township 20-1/2 South, Range 22 East, N.M.P.M.

All Sections

Township 21 South, Range 21 East, N.M.P.M.

All Sections

Township 21 South, Range 22 East, N.M.P.M.

All Sections

Township 22 South, Range 21 East, N.M.P.M.

Sections 1 through 12

Township 22 South, Range 22 East, N.M.P.M.

Sections 1 through 12

in Eddy County, New Mexico.