

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

April 1, 2003

HAND DELIVERY

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APR 1 2003

Oil Conservation Division

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

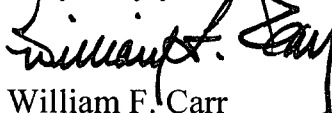
Case 13057

Re: Application of Yates Petroleum Corporation for amendment of the
Special Pool Rules and Regulations for the Pecos Slope-Abo Gas
Pool and the West Pecos Slope-Abo Gas Pool, Chaves County, New
Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the April 24, 2003 Examiner Hearing docket.

Very truly yours,


William F. Carr

Enclosures

cc: Mr. Randy Patterson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR AMENDMENT
OF THE SPECIAL POOL RULES AND REGULATIONS
FOR THE PECOS SLOPE-ABO GAS POOL AND
THE WEST PECOS SLOPE ABO GAS POOL,
CHAVES COUNTY, NEW MEXICO.**

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APR 1 2003

Oil Conservation Division

CASE NO. 13057

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order Amending the Special Pool Rules and Regulations for the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool to eliminate the requirements of Rules 3 and 5 of both special pool rules which permit non-standard gas spacing and proration units (Rule 3) and unorthodox well locations (Rule 5) only after notice and hearing, and in support of this application states:

1. The Pecos Slope-Abo Gas Pool was established by Division Order No. R-6876, dated January 1, 1982, and has been extended from time to time to include certain acreage located in Townships 4 through 11 South, Ranges 24 through 27 East, NMPM, Chaves County, New Mexico more fully described on Exhibit A to this application.

2. The West Pecos Slope-Abo Gas Pool was also established by Division Order No. R-6876, dated January 1, 1982, and has been extended from time to time to include certain acreage located in Townships 5 through 9 South, Ranges 21 through 23 East, NMPM, Chaves County, New Mexico more fully described on Exhibit B to this application.

3. The Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool are governed by Special Pool Rules and Regulations adopted by Oil Conservation Division Order No. R-9976-C, dated March 19, 1996, entered in Case Nos. 10793, 10981, 11004, 11421 and 11422. Yates Petroleum Corporation was the original applicant in the cases that resulted in the adoption of these rules.

4. In adopting Order No. R-9976-C, the Division expressed concern about the potential for correlative rights violations and for the possibility of imprudent and unreasonable development practices that could result from wells drilled at unorthodox gas well locations or on non-standard spacing units in this pool and therefore adopted rules which only permit certain exceptions to the Special Pool Rules and Regulations after notice and hearing.

5. Rule 3 of the Special Pool Rules and Regulations for each pool increases the time following the filing of an application for a non-standard spacing and proration unit from 20 days to 30 days and provides that "The formation of a non-standard gas spacing and proration unit for

reasons other than a variation in the legal subdivision (of the United States Public Lands Surveys) will only be granted after notice and hearing." Rule 5 of the Special Pool Rules and Regulations for each pool provides that exceptions to the well location requirements of the Special pool rules and regulations also can only be granted after notice and hearing.

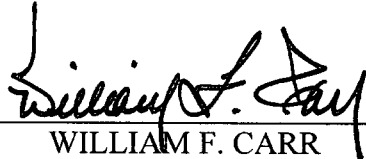
6. The development of these pools since the adoption of the subject Special Pool Rules and Regulations shows that the requirement that applications for exceptions to the well location and spacing unit size provisions of these rules be set for hearing are unnecessary and create an unreasonable burden on the operators in the pools as well as causing unnecessary hearings for the Division.

7. Yates Petroleum Corporation seeks the amendment of the Special Pool Rules and Regulations for the Pecos Slope-Abo Gas Pool and for the West Pecos Slope-Abo Gas Pool to abolish the requirement that all applications for unorthodox well locations and non-standard spacing and proration units be set for hearing. Yates also requests that the provisions governing applications for administrative applications for unorthodox well locations and non-standard spacing and proration units in this pool be amended to conform to the provisions of Rule 104.d(2) and Rule 104.F of the General Rules and Regulations of the Oil Conservation Division.

8. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 24, 2003, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,
HOLLAND & HART, LLP

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

EXHIBIT A

**Application of Yates Petroleum Corporation
for amendment of the Special Pool Rules and Regulations
for the Pecos Slope-Abo Gas Pool
and the West Pecos Slope-Abo Gas Pool,
Chaves County, New Mexico.**

Pecos Slope-Abo Gas Pool Boundaries

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM

Section 24:	S/2
Sections 25 and 26:	All
Section 33:	All
Section 34:	S/2
Sections 35 and 36:	All

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 15:	W/2
Section 16:	SW/4
Section 19:	S/2
Section 20:	E/2
Section 21:	NE/4, W/2
Section 22:	NW/4, E/2
Section 28:	SE/4, W/2
Sections 29 through 33:	All
Section 34:	N/2

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM

Sections 1 through 3:	All
Section 7 through 36:	All

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Sections 1 through 12:	All
Sections 14 through 22:	All
Section 23:	N/2
Section 27:	N/2
Sections 28 through 34:	All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPPM

Sections 1 and 2:	All
Sections 11 through 17:	All
Section 18:	E/2
Sections 22 through 28:	All
Section 34:	E/2
Sections 35 and 36:	All

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPPM

Sections 1 through 36:	All
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TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPPM

Sections 1 through 36:	All
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TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPPM

Sections 19 through 22:	All
Section 31:	SE/4

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPPM

Sections 1 and 2:	All
Section 3:	E/2
Sections 9 through 15:	All
Sections 22 through 27:	All
Sections 34 through 36:	All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPPM

Sections 1 through 36:	All
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TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPPM

Sections 1 through 36:	All
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TOWNSHIP 7 SOUTH, RANGE 27 EAST, NMPPM

Section 6:	All
Sections 19 and 20:	All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPPM

Section 1 through 3	All
Section 10	E/2
Sections 11 and 12	All

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPPM

Sections 1 through 12	All
Section 13	SE/4, N/2
Section 14	N/2
Section 15	N/2
Section 16	N/2
Section 32	E/2

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPPM

Section 1 through 36	All
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TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPPM

Section 17	NW/4
Section 18	All
Section 26	E/2, SW/4
Section 27	SE/4
Section 30	SW/4
Sections 31 through 34	All

TOWNSHIP 9 SOUTH, RANGE 24 EAST, NMPPM

Sections 13 through 15	All
Sections 24 and 25	All
Section 36	All

TOWNSHIP 9 SOUTH, RANGE 25 EAST, NMPPM

Sections 1 through 36	All
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TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPPM

Section 1 through 24	All
Section 26	W/2
Sections 27 through 34	All
Section 35	W/2

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM

Section 6	All
Section 18 and 19	All
Section 20	SW/4
Section 30	N/2

TOWNSHIP 10 SOUTH, RANGE 24 EAST, NMPM

Section 1	All
Sections 12 and 13	All
Sections 24 and 25	All
Section 36	All

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM

Sections 1 through 26	All
Sections 34 and 36	All

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 2	NE/4
Section 6	N/2, SW/4
Section 7	S/2
Sections 19 and 20	All
Section 31	All

TOWNSHIP 11 SOUTH, RANGE 25 EAST, NMPM

Section 3	All
Section 4	S/2
Section 8	All
Section 9	N/2

EXHIBIT B

**Application of Yates Petroleum Corporation
for amendment of the Special Pool Rules and Regulations
for the Pecos Slope-Abo Gas Pool
and the West Pecos Slope-Abo Gas Pool,
Chaves County, New Mexico.**

West Pecos Slope-Abo Gas Pool Boundaries

TOWNSHIP 5 SOUTH, RANGE 21 EAST, NMPM

Section 27	SW/4
Sections 30 and 34	All
Section 35	SW/4

TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM

Section 7	SW/4
Section 18	W/2
Section 19	W/2
Section 25	SE/4
Section 27	SW/4
Section 30	S/2, NW/4
Section 31	All
Section 32	SE/4
Section 33	SW/4
Section 34 and 35	All
Section 36	N/2

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4	All
Sections 9 through 16	All
Section 17	E/2
Sections 20 through 28	All
Sections 33 through 36	All

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM

Section 4	All
Section 6	S/2
Section 7 through 9	All
Sections 16 through 21	All
Sections 29 through 32	All

TOWNSHIP 7 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4	All
Sections 9 through 16	All
Sections 21 through 28	All
Sections 33 through 36	All

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM

Section 3	SW/4
Section 4	S/2
Sections 5 through 10	All
Section 11	W/2
Section 15	W/2
Sections 16 through 21	All
Sections 28 through 32	All

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4	All
Sections 9 through 16	All
Section 17	SE/4
Sections 21 through 29	All

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM

Sections 3 through 10	All
Section 15	NW/4
Section 16	E/2
Section 17	W/2
Sections 18 and 19	All
Section 20	W/2
Section 29	W/2
Sections 30 through 32	All
Section 33	NW/4

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 1	E/2
Section 12	E/2
Section 13	E/2
Section 24	E/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Sections 2 through 8	All
Section 11	N/2
Section 18	W/2
Section 19	W/2