

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR AN EXCEPTION TO THE PROVISIONS
OF THE SPECIAL RULES AND REGULATIONS
FOR THE PECOS SLOPE-ABO GAS POOL FOR
NINE UNORTHODOX GAS WELL LOCATIONS,
CHAVES COUNTY, NEW MEXICO.

CASE NO. 11823

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an exception to the provisions of Rules 4 and 5 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool for nine unorthodox gas well locations, and in support of this application states:

1. Yates is an operator in the Pecos Slope-Abo Gas Pool which is developed pursuant to the Special Rules and Regulations for the Pecos-Slope-Abo Gas Pool which were adopted by Division Order No. R-9976-C on March 19, 1996. Pursuant to these rules, the initial well on the unit and any infill well drilled thereon shall be located no closer than 660 feet to any outer boundary of a governmental quarter section nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary (Rule 4) and that location exceptions shall only be granted after notice and hearing (Rule 5).

2. Yates seeks approval of the following unorthodox well locations in the Pecos

Slope-Abo Gas Pool:

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM:

Monaghan QY Federal No. 13
Section 34: 2310' FNL & 990' FWL

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM:

McClellan MB Federal No. 6
Section 31: 330' FSL & 1300' FWL

McClellan MB Federal No. 7
Section 31: 330' FSL & 1300' FEL

Jamie Com. No. 2
Section 33: 1980' FSL & 330' FEL

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM:

Cottonwood Ranch MK State No. 5
Section 36: 2160' FNL & 330' FEL

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM:

Spool SU Com. No. 7
Section 14: 1980' FNL & 2180' FEL

Savage Federal No. 5
Section 4: 1300' FNL & 2310' FEL

Conejo RH State No. 5
Section 2: 1500' FNL & 2310' FWL

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM:

Leeman OC Federal No. 5
Section 18: 2310' FSL & 2130' FEL

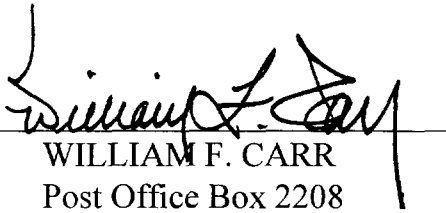
3. There are no parties affected by any of these proposed unorthodox well locations for each well is encroaching only on tracts operated by Yates Petroleum Corporation.

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

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 7, 1997 and that, after notice and hearing as required by law and the rules of the Division, that this application be granted.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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

ATTORNEYS FOR YATES
PETROLEUM CORPORATION