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& SHERIDAN, P.A.  
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March 14, 2000

**HAND-DELIVERED**

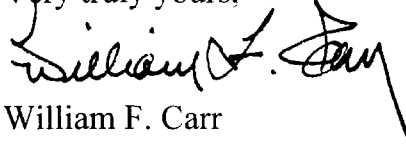
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

Re: Application of Yates Petroleum Corporation for amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool, Lea 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 docket for the April 6, 2000 Examiner hearings.

Very truly yours,

  
William F. Carr

Enclosures

cc: Mr. Dave Pearson  
Yates Petroleum Corporation

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**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  
SOUTH BIG DOG-STRAWN POOL,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 12374

**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 South Big Dog-Strawn Pool, including a special limiting gas-oil ratio of 6000 cubic feet of gas for each barrel of oil produced, and in support of this application states:

1. The South Big Dog-Strawn Pool was established by Division Order No. R-9722-C and R-10448-A, dated February 26, 1997, and has been extended from time to time to include the following acreage in Lea County, New Mexico:

**Township 15 South, Range 35 East, N.M.P.M.**

Section 32: W/2 SE/4

**Township 16 South, Range 35 East, N.M.P.M.**

Section 1: Lots 11, 12, 13 and 14

Section 2: SE/4, Lots 2 through 16

Section 3: SE/4, Lots 9, 10, 15 and 16

Section 11: NE/4

Section 12: NW/4

2. Although the South Big Dog-Strawn Pool is operated pursuant to Special Rules and Regulations (Order Nos. R-9722-C and R-10448-A) which provide for wells to be located on a standard unit containing 80-acres with wells located no closer than 330 feet to any quarter-quarter section line, the pool is governed by Division General Rule 506 which provides for a gas/oil ratio of 2,000 cubic feet of gas per barrel of oil produced.

3. Certain wells in this pool can produce at rates in excess of the authorized gas/oil ratio for the pool and continuing to produce wells at the current authorized rates will result in hydrocarbons ultimately being left in the ground thereby causing waste.

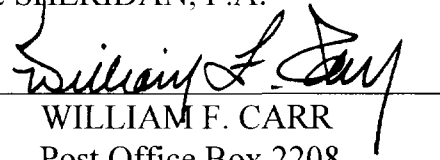
4. Yates Petroleum Corporation seeks the establishment of a special gas-oil ratio for the pool of 6,000 cubic feet of gas per barrel of oil produced.

5. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation 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 6, 2000, that notice be given as required by law and the rules of the Division, and that the application be approved.

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

CASE 12374: Application of Yates Petroleum Corporation for amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool, Lea County, New Mexico. Applicant, in the above-styled cause seeks the amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool located in portions of Section 32 of Township 15 South, Range 35 East, and portions of Sections 1, 2, 3, 11 and 12 of Township 16 South, Range 35 East, NMPM, including the adoption of a special gas-oil ratio for the pool of 6000 cubic feet of gas for each barrel of oil produced. Said area is located approximately \_\_ miles \_\_\_\_ of \_\_\_\_\_, New Mexico.

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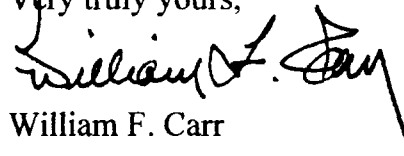
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DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
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**CASE NO.** 12374

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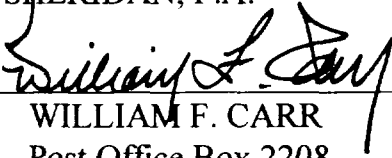
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