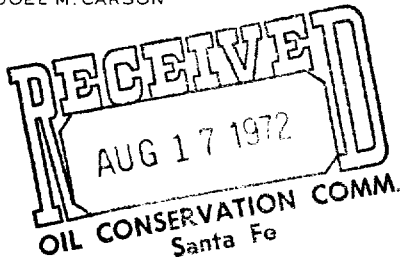


A. J. LOSEE
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ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508



16 August 1972

Case 4803

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation
Case No. 4803

Dear Mr. Porter:

Enclosed for filing, please find three (3) copies of the application of Yates Petroleum Corporation to directionally drill and for an unorthodox gas well location. This case has been set for hearing before an examiner on August 23, 1972.

Very truly yours,

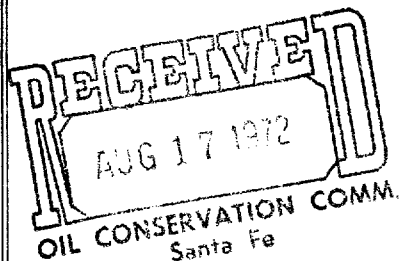
LOSEE & CARSON

A handwritten signature in dark ink, appearing to read "A. J. Losee".

A. J. Losee

AJL:gh
Enclosures

cc: Yates Petroleum Corporation



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION TO :
DIRECTIONALLY DRILL AND FOR AN UNORTHODOX : Case No. 4803
GAS WELL LOCATION, WEST ATOKA-MORROW GAS :
POOL, EDDY COUNTY, NEW MEXICO :

APPLICATION

COMES YATES PETROLEUM CORPORATION by its attorneys,
and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian Formation underlying the North half of Section 25, Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and proposes to re-enter a dry hole at a surface location 1980 feet from the North line and 660 feet from the East line of said Section 25, and to directionally drill in such a manner as to bottom the well in the West Atoka-Morrow Gas Pool, at an unorthodox bottom hole location 500 feet from the North line and 600 feet from the East line of said Section 25.

2. Applicant seeks permission pursuant to Rule 111 (b) to intentionally deviate the re-entry operation away from vertical so that it will be bottomed 500 feet from the North line and 600 feet from the East line of said Section 25.

3. Applicant seeks an exception to the well location requirements of Rule 104 C. II(a) of the Oil Conservation Commission of New Mexico to permit the bottoming of said well at an unorthodox location 500 feet from the North line and 600 feet from the East line of said Section 25.

4. That a standard 320-acre gas proration unit comprising the North half of said Section 25, should be dedicated to such well or such lesser portion of the North half of Section 25 as is reasonably shown to be presumed to be productive of gas from said pool should be dedicated to said well.

5. The names and addresses of the operators of the leases offsetting the North half of said Section 25 follow:

Reading & Bates, Inc.
11th Floor Philtower Bldg.
Tulsa, Oklahoma 74103

Mountain States Petroleum Corp.
Security National Bank Bldg.
Roswell, New Mexico

David Fasken
Attn. Mr. Richard S. Brooks
608 First National Bank Bldg.
Midland, Texas 79701

Marathon Oil Company
Box 552
Midland, Texas 79701

6. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas in the West Atoka-Morrow Gas Pool and will 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 law.

B. That upon hearing the Commission enter its order granting to applicant permission to re-enter the dry hole at a surface location 1980 feet from the North line and 660 feet from the East line of said Section 25, to deviate said hole from

vertical by directionally drilling it in such a manner as to bottom the well in the West Atoka-Morrow Gas Pool at an unorthodox location 500 feet from the North line and 600 feet from the East line of said Section 25 and to dedicate that portion of the North half of said Section 25 which is reasonably presumed to be productive of gas from said pool.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: _____

A. J. Losee for
LOSEE & CARSON
P.O. Box 239
Artesia, New Mexico 88210

Attorneys for Applicant