

# FISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

(505) 746-9841

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JOHN FISK  
DAVID R. VANDIVER  
HARRY T. NUTTER

FAX  
(505) 746-4208

August 5, 1992

Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

10542

Re: *Federal "AB" Com. No. 11 Well*  
*Township 18 South, Range 25 East, NMPM*  
*Section 30: N/2*  
*Eddy County, New Mexico*

Gentlemen:

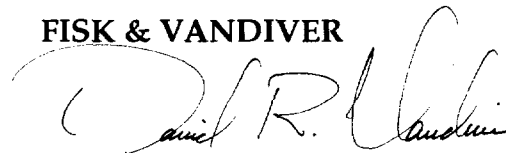
Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on September 3, 1992.

Thank you.

Very truly yours,

FISK & VANDIVER



David R. Vandiver

DRV:pvw  
Enclosures

cc w/enclosure: Mr. Mike Burch

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

**IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO**

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**CASE NO.** 10542

**APPLICATION**

**COMES NOW** Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

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

Section 30: N/2

containing 320 acres, more or less,

and proposes to drill its Federal "AB" Com. No. 11 Well at a point located 1,980 feet from the north line and 1,650 feet from the west line of said Section 30 to a depth sufficient to test the Morrow formation, at approximately 9,100 feet.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location for all formations which may be developed on 320-acre spacing.

3. A standard 320-acre proration unit comprising N/2 of said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of

risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

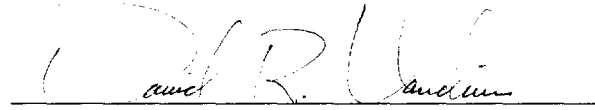
**WHEREFORE**, Applicant prays:

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 Division enter its order granting Applicant permission to drill its well at a point 1,980 feet from the north line and 1,650 feet from the west line of said Section 30, and to dedicate N/2 of Section 30 to said well for production from all formations which may be developed on 320-acre spacing.

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

**YATES PETROLEUM CORPORATION**

By:   
David R. Vandiver

**FISK & VANDIVER**  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant