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OIL CONSERVATION DIVISION  
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JOHN FISK  
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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

Re: *Irish Hills "KW" State No. 3 Well*  
*Township 19 South, Range 24 East, NMPM*  
*Section 2: N/2*  
*Eddy County, New Mexico*

10543

Gentlemen:

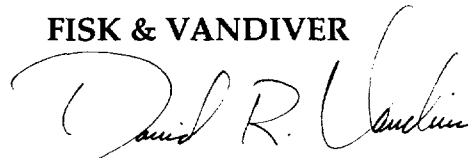
Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after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

**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.** 10543

**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 19 South, Range 24 East, N.M.P.M.

Section 2: N/2

containing 320 acres, more or less,  
and proposes to drill its Irish Hills "KW" State No. 3 Well at a point located 660 feet from the north line and 660 feet from the east line of said Section 2 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 2 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.

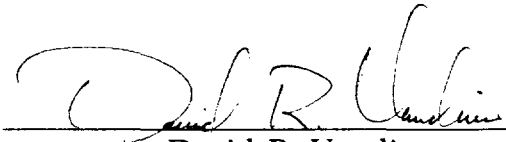
**WHEREFORE**, Applicant prays:

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 660 feet from the north line and 660 feet from the east line of said Section 2, and to dedicate N/2 of Section 2 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

Case 10543:

(Reopened) Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Subsequent to Division Order No. R-9740, dated October 13, 1992, the applicant, Yates Petroleum Corporation seeks to reopen this matter to present new evidence to support its original application for an unorthodox gas well location for its Irish Hills "KW" State Well No. 3, located 660 feet from the North and East lines (Unit A) of Section 2, Township 19 South, Range 24 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation which are spaced on 320-acre spacing. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 are to be dedicated to said well forming a standard 321.08-acre gas spacing and proration unit. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the N/2 equivalent of Section 2 to be simultaneously dedicated in the Penasco Draw-Permo Pennsylvanian Gas Pool to the proposed well and to the existing Irish Hills "KW" State Well No. 2 located at a standard location 1980 feet from the North and East lines (Unit G) of said Section 2. Said unit is located approximately 11.5 miles west by south of Seven Rivers, New Mexico.

6 1993

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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July 6, 1993

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

6 1993

10543

Re: Case 10543 (Reopened):  
Application of Yates Petroleum Corporation for an Unorthodox Gas Well  
Location and Simultaneous Dedication, Eddy County, New Mexico

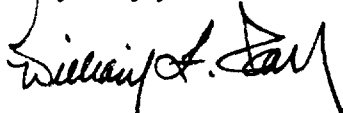
Dear Mr. LeMay:

Following the hearing in the above-referenced case it was discovered that certain offsetting interest owners had not received notice of this application. We have reviewed this situation with David Catanach and agree that the appropriate way to remedy this problem is to reopen the case and provide notice to all offsetting owners.

According, Yates Petroleum Corporation requests that Case 10543 be reopened at the July 29, 1993 Examiner hearing. We have enclosed a draft of a legal advertisement for this case.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: David F. Boneau  
Robert Bullock  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210