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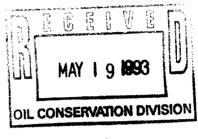
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May 19, 1993

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



107-12

Re: Application of Yates Petroleum Corporation for an Unorthodox Gas Well

Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of a legal advertisement. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the June 17, 1993 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc w/enc.: Mr. Ray Beck

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

CASE 16742.

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Sunflower "AHW" Federal Well No. 2 at an unorthodox location 660 feet from the North and East lines (Unit A) of Section 31, Township 19 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. The N/2 of said Section 31 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Abo, Wolfcamp, Cisco, Canyon, Strawn, Atoka and Morrow spaced on 320-acres. Said well is located approximately ____ miles ____ of ____, New Mexico.

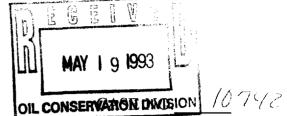


BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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



APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

- 1. Applicant is the operator of the N/2 of Section 31, Township 19 South, Range 24 East, N.M.P.M., Eddy County, New Mexico and proposes to drill its Sunflower "AHW" Federal Well No. 2 as a gas well in the Abo, Cisco, Canyon, Strawn, Atoka and Morrow formations, at an unorthodox location 660 feet from the North and East lines in Unit A of said Section 31.
- 2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well to an approximate depth of 9000 feet to test all formations to the base of the Morrow formation at the above-described location.
- 3. A standard 320-acre proration unit comprised of the N/2 of said Section 31 should be dedicated to the well.
- 4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the gas in the Abo, Wolfcamp and Pennsylvanian formations and will otherwise be in the best interest of the conservation, the protection of correlative

rights and the prevention of waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 17, 1993, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

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

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR YATES
PETROLEUM CORPORATION

APPLICATION, PAGE 2

BEFORE THE

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION; ONSERVATION DIVISION EDDY COUNTY, NEW MEXICO.

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

- 1. Applicant is the operator of the N/2 of Section 31, Township 19 South, Range 24 East, N.M.P.M., Eddy County, New Mexico and proposes to drill its Sunflower "AHW" Federal Well No. 2 as a gas well in the Abo, Cisco, Canyon, Strawn, Atoka and Morrow formations, at an unorthodox location 660 feet from the North and East lines in Unit A of said Section 31.
- 2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well to an approximate depth of 9000 feet to test all formations to the base of the Morrow formation at the above-described location.
- 3. A standard 320-acre proration unit comprised of the N/2 of said Section 31 should be dedicated to the well.
- 4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the gas in the Abo, Wolfcamp and Pennsylvanian formations and will otherwise be in the best interest of the conservation, the protection of correlative

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Respectfully submitted,

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ATTORNEYS FOR YATES PETROLEUM CORPORATION

APPLICATION, PAGE 2