



February 10, 1989

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

Re: Lightcap "YR" No. 1 Well  
Township 7 South, Range 29 East, NMPM  
Section 25: NE/4  
Chaves County, New Mexico

*Case 9627*

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves 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 March 15, 1989.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Yates Petroleum Corporation

2/20/89

*Limit obligation  
to San Andres  
formation only.  
Per phone conv.  
w/ Chad.  
M.S.*

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION :  
FOR AN UNORTHODOX GAS WELL LOCA- :  
TION, CHAVES COUNTY, NEW MEXICO :  
:

CASE NO. 9627

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 Chaves County, New Mexico:

Township 7 South, Range 29 East, N.M.P.M.

Section 25: NE/4

containing 160 acres, more or less.

2. Applicant has heretofore drilled its Lightcap "YR" No. 1 Well at a location 330 feet from the north line and 330 feet from the east line of said Section 25. The well was projected as a San Andres oil well, and was drilled at a standard location for 40-acre spacing, but has now been completed as a San Andres gas well, and Rule 104(B) requires 160 acres (NE/4) be dedicated to such well.

3. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the completion of the well at the above mentioned unorthodox location for the San Andres formation.

4. A standard 160-acre proration unit comprising the NE/4 of said Section 25 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

5. 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 complete its ~~Lightcap~~ "YR" No. 1 Well at a point 330 feet from the north line and 330 feet from the east line of said Section 25, and to dedicate the NE/4 of Section 25 to said well for production from all formations which may be developed on 160-acre spacing.

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

YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

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Attorneys for Applicant