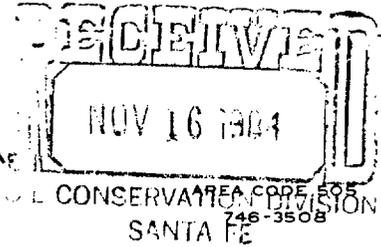


A. J. LOSEE
JOEL M. CARSON
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LAW OFFICES
LOSEE, CARSON & DICKERSON, P. A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239



November 14, 1984

Case 8431

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Yates Petroleum Corporation
Agave "AAJ" State No. 1 Well
* Sylvester "ABC" Com. No. 1 Well

Gentlemen:

Enclosed for filing, please find three copies of each of the following Applications of Yates Petroleum Corporation for Unorthodox Gas Well Locations, Eddy County, New Mexico.

1. Agave "AAJ" State No. 1 Well, located in N/2 Section 32, Township 19 South, Range 24 East, N.M.P.M.
- * 2. Sylvester "ABC" Com. No. 1 Well, located in S/2 Section 8, Township 18 South, Range 25 East, N.M.P.M.

We ask that these matters be set for hearing before an Examiner, and that we be furnished with a docket of said hearings.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:pvm
Enclosures

cc w/enclosures: Yates Petroleum Corporation

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 LOCATION, EDDY :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 8431

APPLICATION

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

1. Applicant is the operator of the Morrow formation, underlying:

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

Section 8: S/2

containing 320 acres, more or less, and proposes to drill its Sylvester "ABC" Com. No. 1 Well at a point located 600 feet from the south line and 600 feet from the east line of Section 8.

2. The applicant seeks an exception to the well location requirements of Rule 104-C of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the S/2 of said Section 8 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of 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 Sylvester "ABC" Com. No. 1 Well at a point 600 feet from the south line and 600 feet from the east line of said Section 8, and to dedicate the S/2 of Section 8, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

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

YATES PETROLEUM CORPORATION

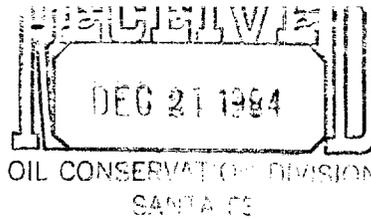
By: 
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505) 746-3508

Attorneys for Applicant



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

December 11, 1984

Mr. Richard Stamets, Secretary-Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Case 8431

RE: Sylvester "ABC" #1
660' FSL & 660' FEL
Section 8-T18S-R25E
Eddy County, New Mexico

Dear Sir:

Yates Petroleum Corporation would appreciate an administrative approval for a proposed unorthodox gas well location as provided for under NMOCD Rule 104F.

Our reason for requesting the non-standard location is geological. A Formal Hearing has been scheduled for the 19th of December 1984. Geological data will be sent under separate cover.

Enclosed please find a copy of the lease map showing offsetting lease operators. Offsetting lease operators have been notified of our intentions by certified mail, via a xerox copy of this letter.

Formations we may drill through are: San Andres, Glorieta, Abo, Wolfcamp Lime, Lower Canyon, Strawn, Atoka, Morrow Clastics and Chester Lime.

Thank you for your help in this matter.

Sincerely,

Cy Cowan
Regulatory Agent

CC/rj
Enclosures:

cc: Pogo Producing Company

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

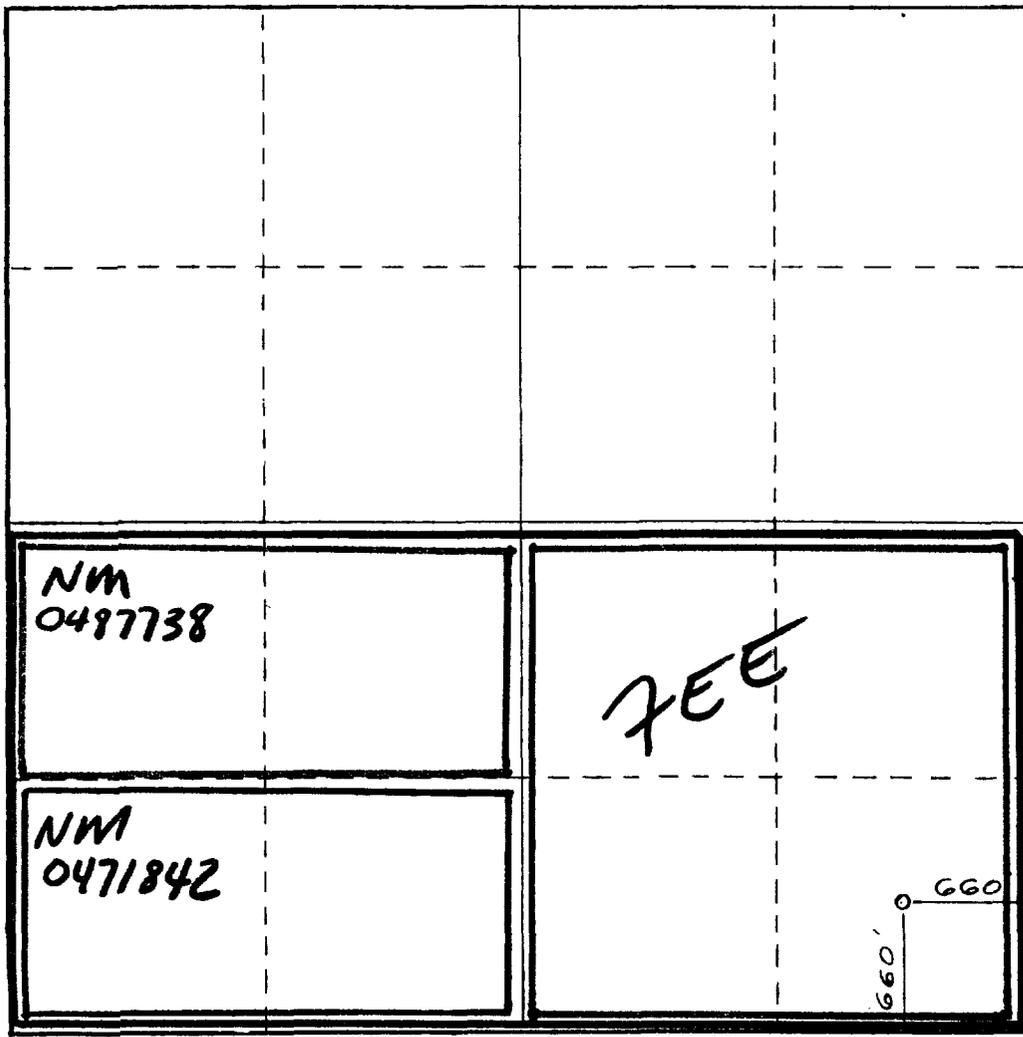
Operator YATES PETROLEUM CORPORATION		Lease Sylvester ABC			Well No. 1
Unit Letter P	Section 8	Township 18 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3569.	Producing Formation Morrow	Pool ANDES. E. Eagle Creek Morrow	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan

Name
Regulatory Agent
Position
Yates Petroleum Corp
Company
12-10-84
Date

DAN R. REDDY
NEW MEXICO
REGISTERED PROFESSIONAL ENGINEER
AND LAND SURVEYOR
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are correct to the best of my knowledge and belief.

Date Surveyed
November 13, 1984
Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS NO. 5412

