

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN :
EXCEPTION TO RULE 104(B)(b) OF THE :
NEW MEXICO OIL CONSERVATION DIVISION :
_____ :

CASE NO. 8200

APPLICATION

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

1. Applicant is the operator of the Bough "C" formation, underlying:

Township 7 South, Range 33 East, N.M.P.M.

Section 11: SW/4

containing 160 acres, more or less,
in Roosevelt County, New Mexico, and has drilled its Smith "ZJ"
No. 1 Well at an orthodox location thereon as an oil well.

2. Applicant seeks an exception to Rule 104(B)(b) of the New Mexico Oil Conservation Division to permit the dedication of 160 acres to the well for the production of oil from the Bough "C" formation.

3. The said Smith "ZJ" well will efficiently and effectively drain 160 acres, and to develop the acreage on 40-acre spacing would result in economic waste.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil, 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 authorizing Applicant to dedicate a 160-acre spacing unit comprised of the SW/4 of said Section 11 to its Smith "ZJ" No. 1 Well.

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

YATES PETROLEUM CORPORATION

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