BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF HARVEY E. YATES COMPANY FOR AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO

CASE NO. 10838

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APPLICATION

COMES NOW HARVEY E. YATES COMPANY, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll) and in support of its Application for an Unorthodox Gas Well Location, respectfully states:

1. Applicant is the operator of the Wolf Camp formation underlying:

Township 18 South, Range 32 East, N.M.P.M.

Section 3

and proposes to drill its Young Deep Unit #21 at a point located 1,330' from the South line and 1,330' from the West line of said Section 3.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) 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 Wolf Camp formation.

3. A 40 acre spacing unit comprising the SW/4 NE/4 NE/4, SE/4 NW/4 NE/4, NE/4 SW/4 NE/4, NW/4 SE/4 NE/4, of said Section 3 should be dedicated to such well or such lesser portion thereof as is reasonably shown to be reasonably productive of oil.

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 form 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 a well 1,330' from the South line and 1,330' from the West line of said Section 3, which is reasonably presumed to be productive of oil from the Wolf Camp formation.

(505)746 - 3505

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

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: Ernest L. Carroll P. O. Drawer 239 Artesia, New Mexico 88211-0239

Attorneys for Applicant, Harvey E. Yates Co.

PROPOSED ADVERTISEMENT

Application of Harvey E. Yates Company for unorthodox location, Lea County, New Mexico. Applicant Harvey E. Yates Company seeks authorization to drill its Young Deep Unit #21 at an unorthodox well location 1,330' from the South line and 1,330' from the West line of Section 3, Township 18 South, Range 32 East, Wolf Camp formation. Said well is located approximately 6 miles south of Maljamar, New Mexico.