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William F. Carr

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August 27, 2002

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 12923

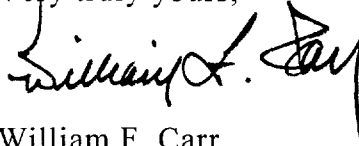
2002 AUG 27 11:03 AM
NEW MEXICO DEPT OF ENERGY

Re: Amended application of Yates Petroleum Corporation for approval of a unit agreement and an unorthodox gas well location, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Amended application of Yates Petroleum Corporation in the above-referenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the September 19, 2002 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 8821

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL
OF A UNIT AGREEMENT AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

014327 0144
CASE NO. 12923

AMENDED APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application for an order approving its Calfrope State Exploratory Unit and for an unorthodox well location for the initial unit well and in support of this application states:

1. That the proposed Calfrope Unit Area consists of 1560 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 15 South, Range 34 East, N.M.P.M.

Section 28: SW/4, W/2 NW/4, SE/4 NW/4,
Section 29: All
Section 32: All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Yates Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

APPLICATION

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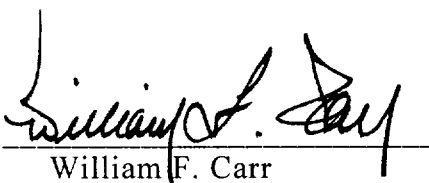
5. The initial test well in the unit area will at an unorthodox location 2068 feet from the South line and 610 feet from the West line of Section 28. The unorthodox location results from Yates' intention to test the unitized formations by re-entering the Chevron State Well No. 1 which is currently an abandoned well.

6. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Yates Petroleum Corporation requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on September 19, 2002, that notice be given as required by law and the rules of the Division, and that the Calfrope State Exploratory Unit be approved and an unorthodox well location for the initial test well on the unit area 2068 feet from the South line and 610 feet from the west line of Section 28. Township 15 South, Range 34 East, NMPM, be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: 
William F. Carr

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

Case No. 12923

Amended Application of Yates Petroleum Corporation for approval of a Unit Agreement and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of the Calfrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in SW/4, W/2 NW/4 and SE/4 NW/4 of Section 28, and all of Sections 29 and 32 of Township 15 South, Range 34 East, NMPM, and approval of an unorthodox gas well location for the initial test well on the unit at a location 2068 feet from the South line and 610 feet from the west line of said Section 28. The proposed unit is located approximately 10 miles northwest of Lovington, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL
OF A UNIT AGREEMENT AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

MS 27 P. 4
CASE NO. 12923

AMENDED APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application for an order approving its Calfrope State Exploratory Unit and for an unorthodox well location for the initial unit well and in support of this application states:

1. That the proposed Calfrope Unit Area consists of 1560 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 15 South, Range 34 East, N.M.P.M.

Section 28: SW/4, W/2 NW/4, SE/4 NW/4,

Section 29: All

Section 32: All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Yates Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

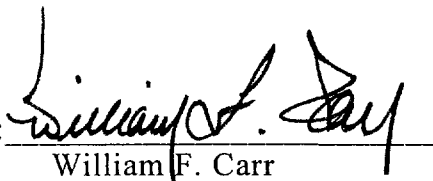
5. The initial test well in the unit area will at an unorthodox location 2068 feet from the South line and 610 feet from the West line of Section 28. The unorthodox location results from Yates' intention to test the unitized formations by re-entering the Chevron State Well No. 1 which is currently an abandoned well.

6. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Yates Petroleum Corporation requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on September 19, 2002, that notice be given as required by law and the rules of the Division, and that the Calfrope State Exploratory Unit be approved and an unorthodox well location for the initial test well on the unit area 2068 feet from the South line and 610 feet from the west line of Section 28. Township 15 South, Range 34 East, NMPM, be approved.

Respectfully submitted,

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