

October 5, 1988

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OCT 7 1988

OIL CONSERVATION DIVISION

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

Case 9510

Re: New Deal "AFD" Federal No. 1 Well
Township 18 South, Range 25 East, NMPM
Section 6: N/2
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Eddy 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 October 26, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Mr. Randy G. Patterson
Mr. Ray Beck

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BEFORE THE OIL CONSERVATION DIVISION

OCT 7 1988

OF THE STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR AN UNORTHODOX WELL LOCATION, :
EDDY COUNTY, NEW MEXICO :

CASE NO. 9510

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 Eddy County, New Mexico:

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

Section 6: N/2

containing 320 acres, more or less,
and proposes to re-enter, deepen and complete its New Deal "AFD" Federal No. 1 Well at a point located 1,980 feet from the north line and 760 feet from the east line of said Section 6 to a depth sufficient to test all formations from the surface through the base of the Mississippian formation.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox

location for all formations from the top of the Wolfcamp formation through the base of the Mississippian formation which may be developed on 320-acre spacing.

3. A standard 320-acre proration unit comprising the N/2 of said Section 6 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. 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 re-enter and deepen its New Deal "AFD" Federal No. 1 Well at a point 1,980 feet from the north line and 760 feet from the east line of said Section 6, and to dedicate the N/2 of Section 6 to said well for production from all formations which may be developed on 320-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