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Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal Specialization

October 14, 2003

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

RECEIVED

OCT 14 2003

Oil Conservation Division

Case 13182

Re: Application of Yates Petroleum Corporation. for Compulsory Pooling,
Chaves County, New Mexico.
(Yankee ANK Fed. Com. Well No. 2)

Dear Ms. Wrotenbery:

Enclosed in triplicate is the 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 docket for the November 6, 2003, Examiner hearings.

Sincerely,



Michael H. Feldewert

MHF:jlj

Enclosures

cc: Mr. Charles Moran
Yates Petroleum Corporation

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

RECEIVED

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO.

OCT 14 2003

Oil Conservation Division
CASE NO. 13182

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. 70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the Pre-Cambrian in the following described spacing and proration units located in Section 1, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico:

- The N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Cottonwood Ranch-Pennsylvanian Gas Pool and the Undesignated Five Mile Draw-Pennsylvanian Gas Pool;
- The NW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Pecos Slope Abo Gas Pool; and
- The SE/4 of the NW/4 (Unit F) for all formations and/or pools developed on 40-acre spacing, which includes but is not necessarily limited to the Undesignated Linda-San Andres Pool.

In support of this application, Yates states:

1. Yates Petroleum Corporation is a working interest owner in the N/2 of said Section 1 and has the right to drill thereon.

2. Yates proposes to dedicate the above-referenced spacing or proration units to its proposed Yankee ANK Fed. Com. Well No. 2 to be drilled at a standard gas well location 1650 feet from the North and West lines (Unit F) of said Section 1, to an approximate depth of 5,235 feet.

3. Yates has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units who are identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Yates to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Yates Petroleum Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 6, 2003 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Yates Petroleum Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Yates Petroleum Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and

E. imposing a penalty for the risk assumed by Yates Petroleum Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

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Santa Fe, NM 87504

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ATTORNEYS FOR YATES PETROLEUM
CORPORATION

EXHIBIT A
APPLICATION OF
YATES PETROLEUM CORPORATION.
FOR COMPULSORY POOLING
N/2 OF SECTION 1, TOWNSHIP 7 SOUTH,
RANGE 25 EAST, N.M.P.M.
CHAVES COUNTY, NEW MEXICO.

Yankee ANK Fed. Com. Well No. 2

Max L. Riley, Jr.
Mignon S. Riley
d/b/a/ Rampart Petroleum, Inc.
2310 Briarmoor Drive
Monroe, LA 71201

John D. Cadigan
The Heirs & Devisees of Linda I. Cadigan
Drawer F
Cashmere, WA 98815

George L. Scott
Sharon Winn Scott
215 West Third
Roswell, NM 88201

CASE 13182 :

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the Pre-Cambrian in the following described spacing and proration units located in Section 1, Township 7 South, Range 25 East, N.M.P.M., Chaves County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Cottonwood Ranch-Pennsylvanian Gas Pool and the Undesignated Five Mile Draw-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Pecos Slope Abo Gas Pool; and the SE/4 of the NW/4 (Unit F) for all formations and/or pools developed on 40-acre spacing, which includes but is not necessarily limited to the Undesignated Linda-San Andres Pool. Said units are to be dedicated to Applicant's proposed Yankee ANK Fed. Com. Well No. 2 to be drilled at a standard gas well location 1650 feet from the North and West Lines (Unit F) of said Section 1. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof, actual operating costs and charges for supervision, the designation of Yates Petroleum Corporation as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 25 miles Northeast of Roswell, New Mexico.