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OIL CONSERVATION DIVISION  
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July 12, 1991

HAND-DELIVERED

10363

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Yates Petroleum Corporation for  
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the August 8, 1991 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure:

Mr. Randy Patterson  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

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OIL CONSERVATION DIVISION

CASE NO. 10363

APPLICATION

Yates Petroleum Corporation, 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 of the mineral interests in the Canyon formation in the W/2 of Section 25, Township 20 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 61.25% of the working interest in and under the W/2 of Section 25, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in the W/2 of Section 25, to a depth of approximately 8,100 feet to test the Canyon formation, South Dagger Draw-Upper Pennsylvanian Associated Pool.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 25, except for the following who together own approximately 38.75% of the working interest:

McKay Oil Corporation  
Post Office Box 2014  
Roswell, New Mexico 88202

Dan F. Thorsen d/b/a  
Thorsen Investors  
2801 West Michigan  
Midland, Texas 79701

Ted Whitson  
1280 Herd Ferry Road  
Atlanta, Georgia 30328

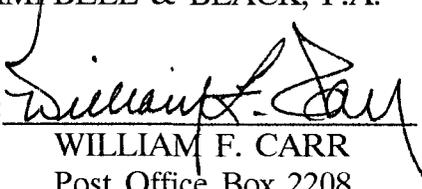
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all interests in the W/2 of Section 25 should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 1991 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR YATES  
PETROLEUM CORPORATION