

OIL CONSERVATION DIVISION  
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LOSEE, CARSON, HAAS & CARROLL, P.A.

300 YATES PETROLEUM BUILDING

P. O. BOX 1720

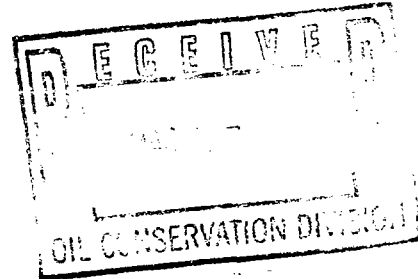
ARTESIA, NEW MEXICO 88211-1720

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March 23, 1995

Case 11232



**VIA FACSIMILE AND FIRST CLASS MAIL**

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504

Re: Application of Yates Petroleum Corporation  
for an Compulsory Pooling, Eddy County, New  
Mexico/Fairchild 24 #2 Well

Application of Nearburg Exploration Company  
for Compulsory Pooling, Eddy County, New  
Mexico/Case No. 11232

Dear Mr. LeMay:

I am enclosing herewith Yates Petroleum Corporation's Application as captioned above, in duplicate. We would ask that this be set for hearing on the next available docket. Please return the copy to me for my files.

I am also enclosing my Entry of Appearance in Case No. 11232, Nearburg Exploration Company's Application for Compulsory Pooling.

Very truly yours,

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

A handwritten signature in cursive script, appearing to read "Ernest L. Carroll".

Ernest L. Carroll

ELC:kth  
Encl.

xc w/encl: Mr. W. Thomas Kellahin

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

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

CASE NO. 11232

APPLICATION

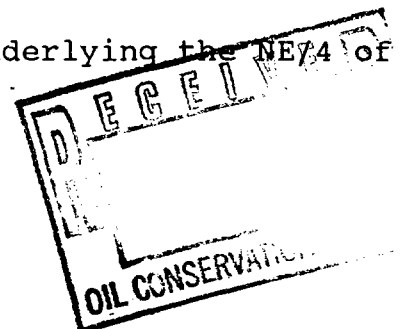
COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,  
and in support hereof respectfully states:

1. Applicant has the right to drill its Fairchild 24 #2 Well in the Canyon formation as an oil well, which is to be located at a point 1980 feet from the east line and 660 feet from the north line of Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the NE/4 of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

3. Applicant should be designated the operator of the well and the proration unit.

4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in said unit, all mineral interests, whatever they may be, from the surface down through and including the Canyon formation underlying the NE/4 of said Section 24, should be pooled.



5. That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof, as a reasonable charge for the risk involved in the drilling of the well.

6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

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 pooling all mineral interests, whatever they may be, from the surface down through and including the Canyon formation underlying the NE/4 of said Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, to form a 160-acre proration unit dedicated to applicant's well.

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

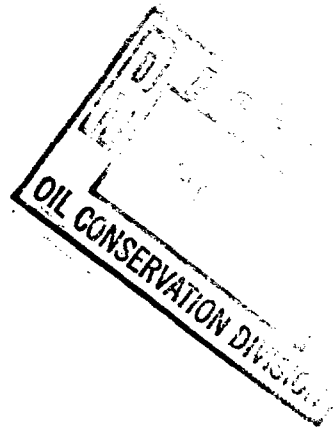
**YATES PETROLEUM CORPORATION**

By:   
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210  
(505/746-3505)  
Attorneys for Applicant

### PROPOSED ADVERTISEMENT

Applicant seeks an order pooling all mineral interests from the surface down through and including the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at a standard location in the NE/4 of said Section 24 to test any and all formations to the base of the Canyon formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 miles northwest of Lakewood, New Mexico.



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

IN THE MATTER OF THE APPLICATION  
OF NEARBURG EXPLORATION COMPANY  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

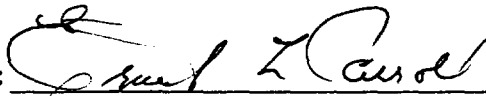
CASE NO. 11232

ENTRY OF APPEARANCE

COMES NOW Ernest L. Carroll, Losee, Carson, Haas & Carroll,  
P. A., and enters his appearance on behalf of Yates Petroleum  
Corporation, in opposition to the Application on file in the above-  
referenced case.

Respectfully submitted,

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

By:   
Ernest L. Carroll  
P. O. Box 1720  
Artesia, New Mexico 88211-1720  
(505) 746-3505

Attorneys for Yates Petroleum Corporation

I hereby certify that I caused to be  
mailed a true and correct copy of the  
foregoing to all counsel of record  
this March 23, 1995.

  
Ernest L. Carroll

