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OIL CONSERVATION DIVISION

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May 17, 1995

11310

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

Re: Application of Yates Petroleum Corporation for
Compulsory Pooling; Boyd X State Com #9, Sec. 16,
T19S, R25E, NMPM, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed please find Yates Petroleum Corporation's Application as
captioned above, for filing. Please set this for hearing on the
available docket.

Thank you.

Very truly yours,

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



Ernest L. Carroll

ELC:kth
Encl.

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

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MAY 19 1995

Oil Conservation Division

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

CASE NO. 11310

APPLICATION

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

1. Applicant has the right to drill its Boyd X State Com #9 in the Dagger Draw Upper Penn North Pool to test the Cisco Canyon formation at a proposed depth of 8,300 feet, to be located at a point 1980 feet from the south line and 1980 feet from the east line of Section 16, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the SE/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 Cisco Canyon formation underlying the SE/4 of said Section 16, 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 Cisco Canyon formation, to a proposed depth of 8,300 feet, underlying the SE/4 of said Section 16, 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.

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 Applicant

PROPOSED ADVERTISEMENT

Applicant seeks an order pooling all mineral interests from the surface down through and including the Canyon formation underlying the SE/4 of Section 16, Township 19 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at a standard location in the SE/4 of said Section 16 to test any and all formations to the base of the Cisco 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 2 miles north and 7 miles west of Lakewood, New Mexico.