

LAW OFFICES

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

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
R. TRACY SPROULS, LL.M. (TAX)
OF COUNSEL
A. J. LOSEE

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720
PHONE (505) 746-3505
FAX (505) 746-6316

ROSWELL OFFICE
400 N. PENN., SUITE 870
ROSWELL, NM 88201
PHONE (505) 623-5154

PLEASE DIRECT ALL CORRESPONDENCE
TO OUR ARTESIA OFFICE

September 18, 2000

RECEIVED
SEP 19 2000
12507

Ms. Lori Wrotenbery
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Application of Yates Petroleum Corporation for a Compulsory Pooling
Well Location, Federal IX COM #3, Chaves County, New Mexico

Dear Ms. Wrotenbery:

Enclosed is the original and one copy of the above-cited application along with a list for notice letters, and copy for an ad.

Sincerely,



Barbara Lewis
Secretary to Ernest L. Carroll

/bal
Enclosures

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 12507

10 SEP 19 AM 1:34
OIL CONSERVATION DIV.

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,
Losee Carson Haas & Carroll, (Ernest L. Carroll), and in support
hereof respectfully states:

1. Applicant has the right to drill its Federal "IX"
Com No. 3 Well to the Ordovician formation as a gas well, which is
to be located at a point 660 feet from the South line and 1980
feet from the West line of Section 3, Township 9 South, Range 26
East, N.M.P.M., Chaves County, New Mexico.

2. The applicant has dedicated the S/2 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 Ordovician formation underlying the S/2 of said Section 3, 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 Ordovician formation underlying the S/2 of said Section 3, Township 9 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, to form a 320-acre spacing 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

LIST FOR LETTERS OF NOTICE
FOR APPLICATION BY YATES PETROLEUM CORPORATION
COMPULSORY POOLING
FEDERAL "IX" COM NO. 3
CHAVES COUNTY

Mr. Rick Hodges
Central Resources, Inc.
1775 Sherman St., Ste 2600
Denver, CO 80203-4322

Mr. Mike Allen
Providence Energy Corporation
4625 Greenville Ave, #203
Dallas, TX 75206

Mr. Crag Nielsen
Eland Energy, Inc.
8150 N. Central Expressway, #400
Dallas, TX 75206

Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface down through and including the Ordovician formation underlying the S/2 of Section 3, Township 9 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within this vertical extent. The proposed well location is approximately 17 miles northeast of Roswell, New Mexico.

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00 SEP 19 AM 1:35

DL CONSERVATION DIV