

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 12, 1991

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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

NOV 12 1991

OIL CONSERVATION DIV.
SANTA FE

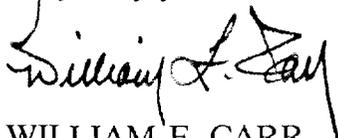
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Re: In the Matter of the Application of Yates Petroleum Corporation for
Compulsory Pooling, Eddy County, New Mexico

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 December 5, 1991 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Ms Janet Richardson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

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BEFORE THE

NOV 12 1991

OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.
SANTA FE

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.

CASE NO. 10422

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 from the surface to the base of the Canyon formation in all formations developed on 160-acre spacing in the SE/4 of Section 8, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 81.25% of the working interest in the SE/4 of Section 8, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Thomas A.J.J. Well No. 3 to be drilled at a standard location in the NW/4 SE/4 of Section 8, to a depth of approximately 8,100 feet to test the Canyon formation, North Dagger Draw Pennsylvanian Pool.

3. Applicant has obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 of said Section 8, except for Conoco, Inc., the owner of an 18.75% working interest.

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

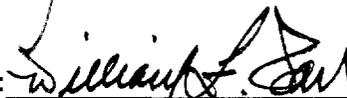
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all interests in Section 8 should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on December 5, 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, CARR, BERGE & SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES
PETROLEUM CORPORATION