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November 9, 1992

HAND-DELIVERED

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

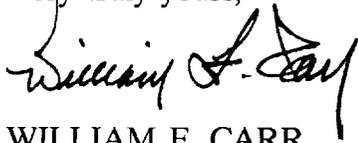
*Case 10626*

Re: In the Matter of the Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves 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 3, 1992 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Mr. Robert Bullock

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,  
CHAVES COUNTY, NEW MEXICO.

CASE NO. 10626

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 NW/4 of Section 32, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 75% of the working interest in and under the NW/4 of Section 32, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Tamarack QF State Com Well No. 3 to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the West line of Section 32, to a depth of approximately 4300 feet, more or less, to test any and all formations from the surface to the base of the ~~Abo formation~~, Pecos Slope-Abo Gas Pool.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all interest owners in the NW/4 of said Section 32, except for those working interest owners set out on Exhibit A to this application.

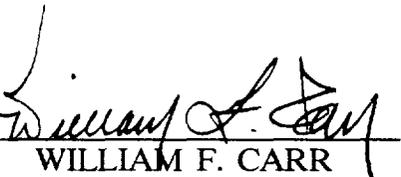
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests 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 3, 1992 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

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ATTORNEYS FOR YATES  
PETROLEUM CORPORATION

**EXHIBIT A**

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