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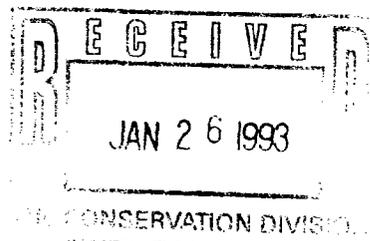
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January 26, 1993

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



10668

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 and a draft of a legal advertisement in the above-referenced case. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the February 18, 1993 Examiner hearings.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large, stylized initial 'W'.

WILLIAM F. CARR

WFC:mlh

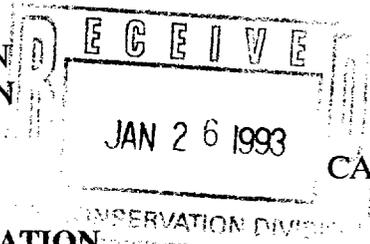
Enclosures

cc w/enclosure: Ms Janet Richardson

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,
EDDY COUNTY, NEW MEXICO.



CASE NO. 106668

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 NE/4 of Section 29, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

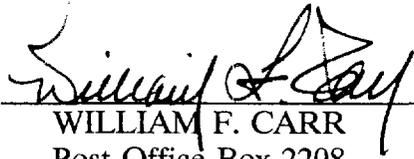
1. Applicant owns or represents over 99% of the working interest in the NE/4 of Section 29, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Binger "AKU" Well No. 1 to be drilled at an orthodox location 660 feet from the North line and 1980 feet from the East line of Section 29, to a depth of approximately 8300 feet, more or less, to test any and all formations from the surface to the base of the Canyon formation.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the NE/4 of said Section 29.
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 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 February 18, 1993 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

CASE _____ :

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 29, Township 19 South, Range 25 East. Said unit is to be dedicated to the Binger "AKU" Well No. 1 to be drilled at a standard location 660 feet from the North line and 1980 feet from the East line of said Section 29. 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately _____ miles _____ of _____, New Mexico.

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