



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

February 10, 1994

HINKLE, COX, EATON,  
COFFIELD & HENSLEY  
Attorneys at Law  
P. O. Box 2068  
Santa Fe, New Mexico 87501

RE: CASE NOS. 10788 and 10790  
ORDER NOS. R-9964-A and R-9965-A

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Martinez  
Administrative Secretary

cc: BLM - Carlsbad  
Steve Keene  
Ernest Carroll



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

September 22, 1993

LOSEE, CARSON, HAAS & CARROLL  
Attorneys at Law  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

**RE: CASE NO. 10790**  
**ORDER NO. R-9965**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Sally E. Leichtle".

Sally E. Leichtle  
Administrative Secretary

Enclosure

cc: BLM - Carlsbad  
James Bruce  
Steve Keene

County, \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Cemetery Morrow Geo 21S 24E

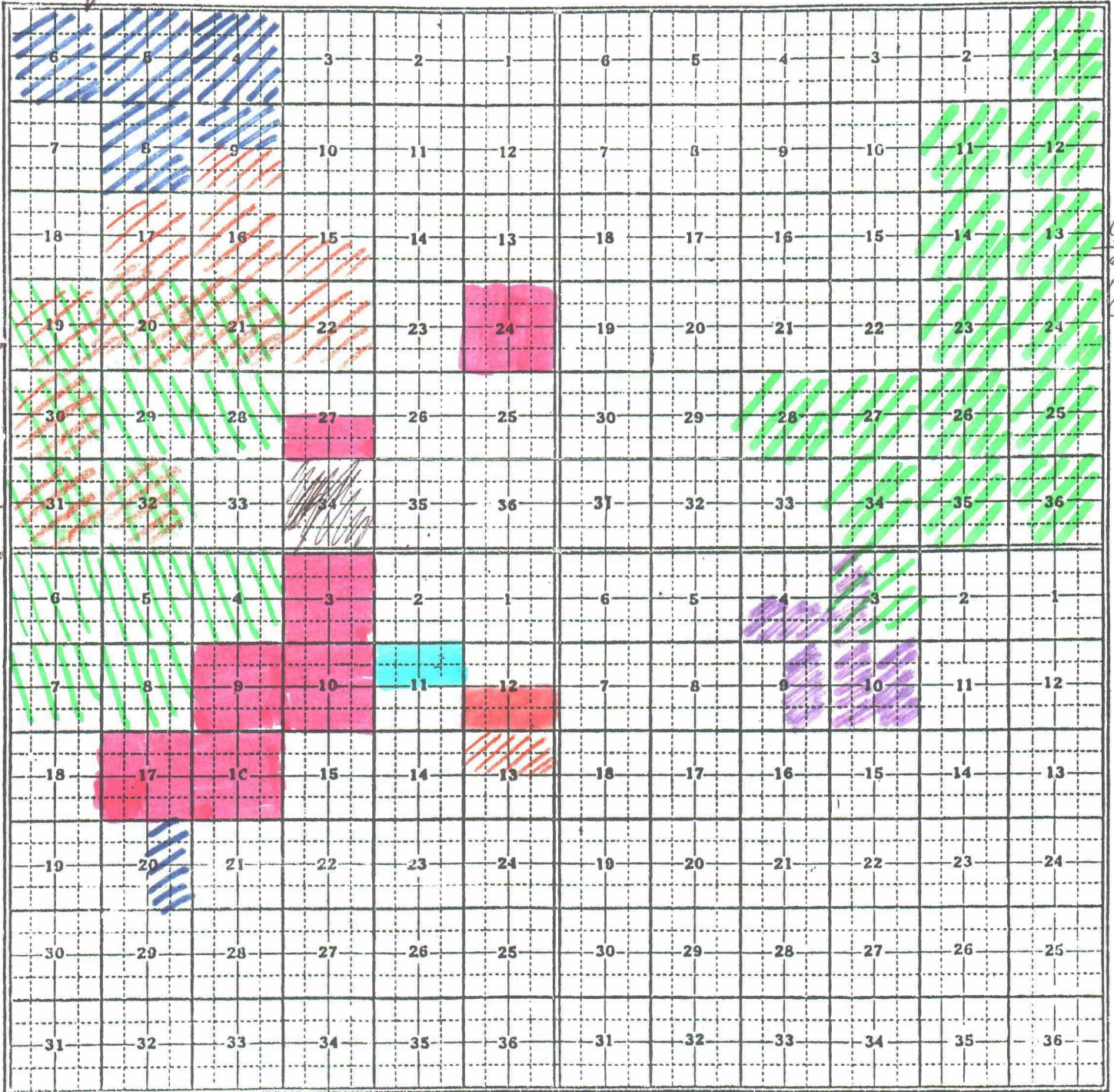
Form 104—(Four on Township)

21S 25E

(Green  
Origins)  
Indian  
Basin  
Upper  
Penn  
Geo

(Orange)  
Indian  
Basin  
Morrow  
Geo

Calkins  
Draw  
Morrow  
Geo



- 22S 24E
- Indian Basin Upper Pennsylvanian Associated.
  - South Indian Basin Upper Pennsylvanian Geo
  - McKittrick Hills Alaska Geo
  - McKittrick Hills Morrow Geo
  - McKittrick Hills Upper Pennsylvanian Geo

22S 25E  
Revelation Morrow Geo

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNOODGRASS, JR. (1914-1987)

OF COUNSEL  
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MACK EASLEY  
JOE W. WOOD  
RICHARD S. MORRIS

WASHINGTON, D.C.  
SPECIAL COUNSEL  
ALAN J. STATMAN\*

January 11, 1994

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CONRAD E. COFFIELD  
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STUART D. SHANOR  
ERIC D. LANPHERE  
C. D. MARTIN  
ROBERT P. TINNIN, JR.  
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STANLEY K. KOTOVSKY, JR.  
H. R. THOMAS  
ELLEN S. CASEY  
MARGARET CARTER LUDEWIG  
S. BARRY PAISNER  
STEPHEN M. CRAMPTON  
MARTIN MEYERS  
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JAMES A. GILLESPIE  
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NORMAN D. EWART  
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KOLLY MCINTOSH  
MARCIA B. LINCOLN  
SCOTT A. SHUART\*  
DARREN L. BROOKS  
CHRISTINE E. LALE  
PAUL G. NASON  
DARLA M. SILVA

\*NOT LICENSED IN NEW MEXICO

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2800 CLAYDESTA CENTER  
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FAX (806) 372-9761

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POST OFFICE BOX 2043  
ALBUQUERQUE, NEW MEXICO 87103  
(505) 768-1500  
FAX (505) 768-1529

## HAND DELIVERED

William J. LeMay  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: De Novo Cases 10788, 10790, and 10823

Dear Mr. LeMay:

I believe Nearburg and Yates have reached an agreement to (a) dismiss Case 10790 (the Yates case), and (b) in Case 10788, stipulate that Yates has timely elected to voluntarily join in Nearburg's well in the E½ of Section 2. If Mr. Carroll and I can sign an appropriate letter agreement, we will request that an order be entered in Case 10788 pending the parties' approval of an operating agreement.

Nearburg also requests that Case 10823 be continued for one month. I hope that the parties can resolve this case later. However, Yates has not yet agreed to the continuance.

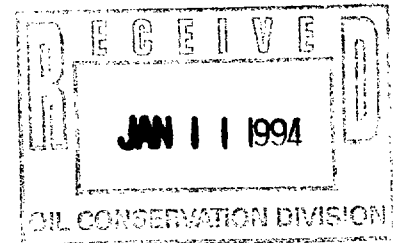
Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JB:jr

cc: Ernest Carroll VIA FACSIMILE TRANSMISSION



MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

OIL CONSERVATION DIVISION  
RECEIVED  
93 NOV 5 AM 8:54  
S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

November 1, 1993

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Nearburg Producing Company  
3300 North "A" Street  
Suite 8100  
Midland, Texas 79705

Attention: Mr. Bob Shelton

Re: NMOCD Case No. 10790  
S/2 Section 2, T22S-R24E  
NMOCD Case No. 10788  
E/2 Section 2, T22S-R24E  
NMOCD Case No. 10823  
W/2 Section 10, T22S-R24E  
Eddy County, New Mexico

Dear Mr. Shelton:

As we discussed by telephone on Friday, October 29, 1993, Yates Petroleum Corporation desires to come to an amicable settlement of the De Novo hearings which have been filed on the captioned cases. Specifically, Yates has filed De Novo on your Canyon force pooling on the E/2 of Section 2, Township 22 South, Range 24 East, and you have filed De Novo on the denial of your force pooling in the W/2 of Section 10, located in the same township.

We propose to settle these disputed cases in the following manner:

1. Yates Petroleum will drop our De Novo hearing on Section 2 and will join with Nearburg in the drilling of a Canyon well on the E/2 of Section 2 at either your or our proposed location under the terms of a mutually acceptable operating agreement. Nearburg will spud and diligently prosecute said well prior to December 1, 1993, the expiration date of Yates' lease.
2. Nearburg will drop your De Novo hearing on the W/2 of Section 10, T22S-R24E. Yates will drill our well in the N/2 of Section 10 and Nearburg may independently develop your lease as you see fit.

Nearburg Producing  
November 1, 1993

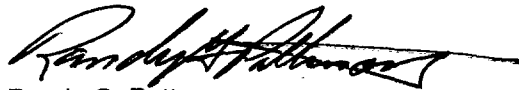
Page 2

We respectfully request that you favorably consider this proposal of settlement since it allows Nearburg the opportunity to drill and operate the only jointly-owned well in the area and it further allows each of us to independently develop our leases in the balance of the area.

Thank you for your consideration of this proposal.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Randy G. Patterson", with a long horizontal flourish extending to the right.

Randy G. Patterson  
Land Manager

RGP/mw

xc: Mr. Bill LeMay - New Mexico Oil Conservation Division  
Mr. Jim Bruce - Hinkle Cox Eaton Coffield & Hensley Law Firm  
Mr. Ernest Carroll - Losee Carson Haas & Carroll Law Firm

LAW OFFICES

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

300 YATES PETROLEUM BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

ERNEST L. CARROLL

JOEL M. CARSON

DEAN B. CROSS

JAMES E. HAAS

A. J. LOSEE

MARY LYNN BOGLE

OIL CONSERVATION DIVISION  
RECEIVED

1993 OCT 20

TELEPHONE

(505) 746-5405

TELECOPY

(505) 746-6316

October 19, 1993

**VIA PRIORITY MAIL**

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: In the Matter of the Application of Nearburg  
Producing Company for Compulsory Pooling,  
Eddy County, New Mexico; Case No. 10788/Order  
R-9964

In the Matter of the Application of Yates Petroleum  
Corporation for Compulsory Pooling, Eddy County, New  
Mexico; Case No. 10790/Order R-9965

Dear Mr. LeMay:

Enclosed please find for filing in the above-referenced case the  
Applications of Yates Petroleum Corporation for hearings de novo  
in each of the above-referenced cases, in duplicate.

Please return the copies to me, endorsed, in the envelope  
provided. Thank you very much.

Very truly yours,

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



Ernest L. Carroll

ELC:kth  
Enclosures

xc w/encl: Mr. James G. Bruce  
Mr. Randy Patterson