

ATWOOD, MALONE, MANN & TURNER
A PROFESSIONAL ASSOCIATION
LAWYERS

RUSSELL D. MANN
BOB F. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE
ROBERT H. STRAND
STEVEN L. BELL
WILLIAM P. LYNCH
RODNEY M. SCHUMACHER
JOHN S. NELSON
R. TRACY SPROULS
FREDDIE J. ROMERO
LEE M. ROGERS, JR.
ARTHUR P. BROCK
TIMOTHY A. LUCAS
SUSAN ZELLER
VICTORIA S. ARENDS
JEFFERY D. TATUM
CRAIG A. ORRAJ

CHARLES F. MALONE
OF COUNSEL

P. O. DRAWER 700
SUNWEST CENTRE
ROSWELL, NEW MEXICO 88202

TEL. (505) 622-6221

FAX (505) 624-2883

JEFF D. ATWOOD (1883-1960)
ROSS L. MALONE (1910-1974)

October 26, 1989

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 98-2

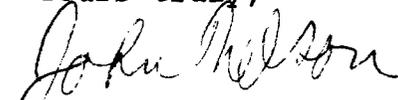
Attention: Ms. Florene Davidson

RE: Application of Harvey E. Yates Company
for Compulsory Pooling
NW/4SE/4 Section 12-18S-32E,
Lea County, New Mexico

Dear Ms. Davidson:

Enclosed for filing is the original together with three copies of the referenced Application. Please file stamp one of the copies and return it to me in the enclosed envelope. If you need any additional information, please let me know. Thank you for your assistance.

Yours truly,


John Nelson

JSN/le
Encs.

cc: Ms. Rosemary Avery (w/enc.)

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF HARVEY E. YATES COMPANY FOR
COMPULSORY POOLING

CASE NO. 9822

APPLICATION

Harvey E. Yates Company hereby makes application to the Oil Conservation Division pursuant to Sec. 70-2-17 N.M.S.A. (1978) for an order pooling all mineral interests from the surface to the base of the Bone Spring formation for any and all formations and/or pools developed on 40-acre spacing in and under the NW/4SE/4 of Section 12, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant states the following in support of this Application:

1. Applicant owns approximately 22% of the working interest in and under said lands.
2. Applicant proposes to drill a well at a standard location in the NW/4SE/4 of said Section 12.
3. Applicant proposes to dedicate to the well a standard proration unit comprised of the NW/4SE/4 of said Section 12.
4. Applicant has sought and obtained voluntary agreements for pooling from all other interest owners in the NW/4SE/4 of said Section 12 except C. Daniel Walker, who owns approximately 10% of the working interest in said lands.

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

6. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying said lands, the mineral interests should be pooled, and Applicant should be designated operator of the well to be drilled.

Applicant therefore requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on November 15, 1989, and that after notice and hearing as required by law, the Division enter its Order as follows:

(a) Pooling all mineral interests from the surface to the base of the Bone Spring formation for any and all formations and or pools developed on 40-acre spacing in and under the NW/4SE/4 of said Section 12;

(b) Designating Applicant operator of the well;

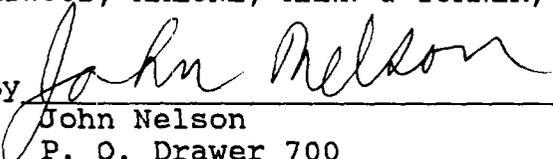
(c) Allowing Applicant to recover its costs of drilling, equipping and completing the well, and its costs of supervision while drilling and after completion, including overhead charges;

(d) Imposing a risk factor for the risk assumed by Applicant in drilling, completing and equipping the well;

(e) Making such other and further provisions as may be proper.

Respectfully submitted,

ATWOOD, MALONE, MANN & TURNER, P.A.

By 

John Nelson
P. O. Drawer 700
Roswell, NM 88202
(505) 622-6221

Attorneys for Harvey E. Yates Company