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March 11, 1985

OF COUNSEL
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W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1908-1981)

*NOT LICENSED IN TEXAS

Ms. Florene Davidson
Oil Conversation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

8532

Re: Fred G. Yates, Inc.
Application for Compulsory
Pooling Lea County, New Mexico

Dear Florene:

Enclosed herewith you will find, executed in triplicate, the following application:

Application for Compulsory Pooling for SW $\frac{1}{4}$ of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

We understand you have previously put this on the March 27 docket for hearing, in line with a verbal request from Larry Hunnicutt, acting in behalf of Fred G. Yates, Inc. If anything additionally is needed in order to complete the filing for this case, please call.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl
copies:

Amoco Production Company
501 Westlake Park Blvd.
Post Office Box 3092
Houston, Texas 77253

Mr. Jim Bruce
Post Office Drawer 2068
Santa Fe, New Mexico 87501

Mr. Douglas L. Lunsford
Post Office Box 10
Roswell, New Mexico 88202-0010

Fred G. Yates, Inc.
Sun. West Centre, Suite 919
Roswell, New Mexico 88201

Mr. Larry Hunnicutt
Sunburst Exploration Company
Post Office Box 2608
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO

APPLICATION OF FRED G. YATES, INC.)
FOR COMPULSORY POOLING, LEA)
COUNTY, NEW MEXICO)

APPLICATION

Fred G. Yates, Inc., by its undersigned attorneys, hereby makes application for an Order pooling all interests in the Pennsylvanian Formation underlying the SW $\frac{1}{4}$ of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is entitled to proceed with the drilling of a well located in the SW $\frac{1}{4}$ of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein. Said lands are subject to the field rules for the Baum-Upper Pennsylvanian Field.

2. Applicant proposes to drill its well at a legal location in said SW $\frac{1}{4}$ Section 13, to a depth of approximately 9,900 feet to test the Pennsylvanian Formation and seeks to dedicate the SW $\frac{1}{4}$ of Section 13 to the well. Applicant requested the party listed on the attached schedule as owner of interests in SW $\frac{1}{4}$ Section 13 to agree to participate in the drilling of said well or to farmout or otherwise commit its interests to said well, but the party so far has refused to do so.

3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

4. The pooling of all interests in the Pennsylvanian Formation in SW $\frac{1}{4}$ Section 13 is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before the Division at its regular hearing on March 27, 1985.

Dated this 11th day of March, 1985.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: Conrad E. Coffield
Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Fred G.
Yates, Inc.

SCHEDULE

UNCOMMITTED
LEASEHOLD OWNER

Township 13 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Section 13: SW $\frac{1}{4}$

<u>Name and Address*</u>	<u>Undivided Fractional Interest</u>
Amoco Production Company 501 Westlake Park Boulevard Post Office Box 3092 Houston, Texas 77253 Attention: Jerry Webb	The entire leasehold estate underlying W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 13

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO

APPLICATION OF FRED G. YATES, INC.)
FOR COMEULSORY POOLING, LEA)
COUNTY, NEW MEXICO)

APPLICATION

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2. Applicant proposes to drill its well at a legal location in said SW $\frac{1}{4}$ Section 13, to a depth of approximately 9,900 feet to test the Pennsylvanian Formation and seeks to dedicate the SW $\frac{1}{4}$ of Section 13 to the well. Applicant requested the party listed on the attached schedule as owner of interests in SW $\frac{1}{4}$ Section 13 to agree to participate in the drilling of said well or to farmout or otherwise commit its interests to said well, but the party so far has refused to do so.


3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

4. The pooling of all interests in the Pennsylvanian Formation in SW $\frac{1}{4}$ Section 13 is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before the Division at its regular hearing on March 27, 1985.

Dated this 11th day of March, 1985.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 
Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Fred G.
Yates, Inc.

SCHEDULE

UNCOMMITTED
LEASEHOLD OWNER

Township 13 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Section 13: SW $\frac{1}{4}$

Name and Address*

Amcco Production Company
501 Westlake Park Boulevard
Post Office Box 3092
Houston, Texas 77253
Attention: Jerry Webb

Undivided
Fractional Interest

The entire leasehold
estate underlying
W $\frac{1}{2}$ SW $\frac{1}{4}$ of said
Section 13

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO

APPLICATION OF FRED G. YATES, INC.)
FOR COMPULSORY POOLING, LEA)
COUNTY, NEW MEXICO)

Cons. 8-32

APPLICATION

Fred G. Yates, Inc., by its undersigned attorneys, hereby makes application for an Order pooling all interests in the Pennsylvanian Formation underlying the SW $\frac{1}{4}$ of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is entitled to proceed with the drilling of a well located in the SW $\frac{1}{4}$ of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein. Said lands are subject to the field rules for the Baum-Upper Pennsylvanian Field.

2. Applicant proposes to drill its well at a legal location in said SW $\frac{1}{4}$ Section 13, to a depth of approximately 9,900 feet to test the Pennsylvanian Formation and seeks to dedicate the SW $\frac{1}{4}$ of Section 13 to the well. Applicant requested the party listed on the attached schedule as owner of interests in SW $\frac{1}{4}$ Section 13 to agree to participate in the drilling of said well or to farmout or otherwise commit its interests to said well, but the party so far has refused to do so.

3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.


4. The pooling of all interests in the Pennsylvanian Formation in SW $\frac{1}{4}$ Section 13 is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before the Division at its regular hearing on March 27, 1985.

Dated this 11th day of March, 1985.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Fred G.
Yates, Inc.

SCHEDULE

UNCOMMITTED
LEASEHOLD OWNER

Township 13 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Section 13: SW $\frac{1}{4}$

<u>Name and Address*</u>	<u>Undivided Fractional Interest</u>
Amoco Production Company 501 Westlake Park Boulevard Post Office Box 3092 Houston, Texas 77253 Attention: Jerry Webb	The entire leasehold estate underlying W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 13

COPY

CAMPBELL & BLACK, P.A.
LAWYERS

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BRUCE D. BLACK
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TELEPHONE: (505) 988-4421
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March 25, 1985

HAND DELIVERED

RECEIVED

MAR 25 1985

OIL CONSERVATION DIVISION

Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of Energy
and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Amoco Production Company for a Non-Standard
Spacing or Proration Unit, or in the Alternative, for
Compulsory Pooling, Lea County, New Mexico.

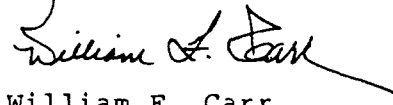
Dear Mr. Stamets:

Enclosed in triplicate is the application of Amoco Production Company in the above-referenced case. This case involves the same acreage which is the subject of Oil Conservation Division Case 8532 (Application of Fred G. Yates, Inc. for Compulsory Pooling, Lea County, New Mexico). Amoco Production Company therefore requests that Case 8532 be continued and set for hearing at the same time as Amoco's application.

Amoco also believes that this case should be set for hearing before the full Commission. This would eliminate an unnecessary examiner hearing and will result in the quickest and final resolution of this dispute at the lowest cost to both the Commission and the parties.

The attorneys for Fred G. Yates, Inc. have been advised on this date by telephone of Amoco's request for a continuance of Case 8532.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: Mr. Clyde Mote (w/enc.)
Mr. Conrad Coffield (w/enc.)

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

IN THE MATTER OF THE APPLICATION
OF AMOCO PRODUCTION COMPANY FOR A
NON-STANDARD SPACING OR PRORATION
UNIT OR IN THE ALTERNATIVE, FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

RECEIVED
MAR 25 1966
OIL CONSERVATION DIVISION
Case

APPLICATION

Comes now, AMOCO PRODUCTION COMPANY, by and through its undersigned attorneys and hereby makes application for an order approving a non-standard spacing or proration unit in the Baum-Upper Pennsylvanian Pool to be comprised of the W/2 SW/4 of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico or, in the alternative, for an order pooling all of the mineral interests from the surface to the base of the Baum-Upper Pennsylvanian Pool in and under the SW/4 of said Section 13, and in support thereof would show the Division:

1. Applicant owns the W/2 SW/4 of Section 13, Township 13 South, Range 32 East, N.M.P.M., and seeks authority to dedicate this non-standard spacing or proration unit to a Pennsylvanian well (Baum-Upper Pennsylvanian Pool) to be drilled at a standard location (660 feet from the South line and 510 feet from the West line on said section.

2. That standard spacing units for this pool are 160 acres (Special Pool Rules for the Baum-Upper Pennsylvanian Pool; Order No. R-3368-A).

3. That approval of this non-standard unit will enable applicant the opportunity to produce without waste the reserves under its acreage and will not impair the correlative rights of any offset operator.

4. Applicant, in the alternative, seeks an order pooling all mineral interests from the surface to the base of the Baum-Upper Pennsylvanian Pool under the SW/4 of said Section 13 under which applicant owns or represents 50% of the working interest, and applicant has the right to drill thereon.

5. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location 660 feet from the South line and 510 feet from the West line of said Section 13.

6. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SW/4 of said Section 13, except for Sunburst Exploration Company, Post Office Box 2608, Roswell, New Mexico 88201 (Fred G. Yates, Jr., Sunwest Centre, Suite 919, Roswell, New Mexico 88201), owner of a 50% working interest.

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

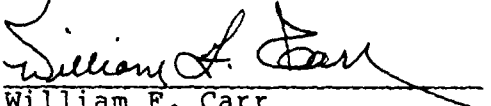
8. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, a non-standard spacing or proration unit comprised of the W/2 SW/4 of said Section 13 should be approved, or in the alternative, the mineral interests under the SW/4 of said Section 13 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 the full Oil Conservation Commission at the earliest possible date, and that after notice and hearing as required by law, the Commission enter its order approving a non-standard spacing or proration unit comprised of the W/2 SW/4 of Section 13, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, or in the alternative, pooling the SW/4 of said Section 13, 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR AMOCO PRODUCTION
COMPANY