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7 January 1986

Mr. Dick Stamets, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: South Taylor "13" Federal Nos. 1, 2, 3, and
4 Wells, SE/4 of Section 13, Township 18
South, Range 31 East, N.M.P.M., Eddy County,
New Mexico

Dear Mr. Stamets:

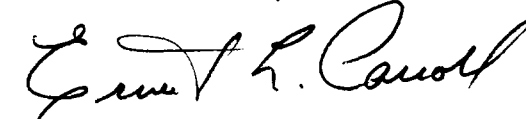
Enclosed for filing, please find three copies of the Application of Harvey E. Yates Company for compulsory pooling in Eddy County, New Mexico. Also enclosed is a Certificate of Mailing reflecting that the non-consenting interest owner has been mailed a copy of said Application.

This hearing has been set for January 22, 1986, and we ask that you furnish us with a docket of said hearing.

Thank you.

Yours truly,

LOSEE & CARSON, P.A.



Ernest L. Carroll

ELC:hjk
Enclosures

cc w/enclosure: Harvey E. Yates Company

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF HARVEY E. YATES COMPANY FOR :
COMPULSORY POOLING, EDDY COUNTY, : CASE NO. 8809
NEW MEXICO :
_____ :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY, by its attorneys,
Losee & Carson, P.A., and in support hereof respectfully states:

1. Applicant has the right to drill the South Taylor
"13" Federal No. 1, 2, 3, and 4 Wells in the Delaware Formation
as oil wells. The South Taylor "13" Federal No. 1 Well is to be
located at a point 660 feet from the South line and 660 feet from
the East line, of Section 13, Township 18 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico. Wells Nos. 2, 3, and 4 will
be drilled at an orthodox location within their respective pro-
ration units.

2. The applicant has dedicated the SE/4 SE/4 of said
section to Well No. 1, the SW/4 SE/4 of said section to Well No.
2, the NE/4 SE/4 of said section to Well No. 3, and the NW/4 SE/4
of said section to Well No. 4, and there is an interest owner in
each of the proration units which has not agreed to pool its in-
terest.

3. Applicant should be designated the operator of the wells and their respective proration units.

4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense, its just and fair share of the oil in said units, all mineral interests, whatever they may be, in the Delaware Formation underlying the SE/4 of said Section 13, should be pooled.

5. Applicant proposes to drill each of the four wells as a part of a single project. As it would be inequitable to allow the non-joining interest owner to use information gained from the drilling of the first well or wells in this project to determine whether it will join in later wells, applicant seeks a compulsory pooling order covering all four wells to be drilled in the SE/4 of Section 13.

6. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the wells.

7. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, in the Delaware Formation underlying the SE/4 of said Section 13, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, to form four 40-acre spacing units dedicated to applicant's wells.

C. And for such other and further relief as may be just in the premises.

HARVEY E. YATES COMPANY

By: 
Ernest L. Carroll

LOSEE & CARSON, P.A.
P. O. Drawer 239
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(505/746-3508)

Attorneys for Applicant

Certificate of Mailing

I hereby certify that I mailed a true copy of the above numbered and styled Application of Harvey E. Yates Company to Chevron, U.S.A., P. O. Box 1660, Midland, Texas, 79702, Attention: Mr. Sam Martin, Land Department, on this 7th date of January, 1986.


Ernest L. Carroll