



JUL 10 1987
OIL CONSERVATION DIVISION
SANTA FE

Page 9/81

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

Re: Burton "AER" Com. No. 1 Well
Township 16 South, Range 37 East, NMPM
Section 26: W/2 SE/4
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling and an Unorthodox Location, Lea County, New Mexico.

We understand that this matter has been set for hearing before an Examiner on July 29, 1987, and we ask that we be furnished with a docket of said hearing.

Thank you.

Very truly yours,

DICKERSON, FISK & VANDIVER

David R. Vandiver

DRV:pv
Enclosures

cc w/enclosure: Mr. Ken Beardemphl
Mr. Scott E. Wilson

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR COM- :
PULSORY POOLING AND AN UNORTHODOX :
LOCATION, LEA COUNTY, NEW MEXICO :
_____ :

CASE NO. 9487

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following described lands in Lea County, New Mexico:

Township 16 South, Range 37 East, N.M.P.M.

Section 26: W/2 SE/4

containing 80 acres, more or less,
and proposes to drill its Burton "AER" Com. No. 1 Well at a point 2,400 feet from the south line and 1,850 feet from the east line of said Section 26, to a depth sufficient to test the Strawn formation, at approximately 11,800 feet.

2. By its Order No. R-4992, et seq., the New Mexico Oil Conservation Commission promulgated special rules and regulations for the Casey-Strawn Pool, which establish 80-acre spacing units for the Strawn formation, and provide that each well shall be located within 150 feet of the center of a governmental

quarter-quarter section or lot. The above described lands are within one mile of the Casey-Strawn Pool and are governed by the special rules and regulations promulgated by Order No. R-4992.

3. The Applicant seeks an exception to the well location requirements of the Casey-Strawn Pool and Rule 104 of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test all formations from the surface down to the base of the Strawn formation.

4. A standard 80-acre oil proration unit comprising the W/2 SE/4 of said Section 26 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in the Strawn formation; and a standard 40-acre oil proration unit comprising the NW/4 SE/4 of said Section 26 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in any other zone.

5. There are interest owners in the unit who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Hellen M. Brewer	15 South Taylor Mason City, Iowa 50401
Carol Bachman	P. O. Box 27276 Denver, Colorado 80227

Lauren K. Britson	326 South Logan Roland, Iowa 50236
Heirs of J. F. Sofranko	Lovilia, Iowa 50150
H. L. Brown, Jr.	P. O. Box 2237 Midland, Texas 79702
Ourainia Christakos	3724 University Avenue Des Moines, Iowa 50311-3611
Nitram Enterprises, Inc.	P. O. Box 3341 Midland, Texas 79702
Leonard Arthur Miller	411 North Fourth Street Humboldt, Iowa 50548
Lois Miller Mayall	411 North Fourth Street Humboldt, Iowa 50548
R. Kent Standish	209 Byron Waterloo, Iowa 50702
Ann Standish	209 Byron Waterloo, Iowa 50702
Ann C. Gossman	520 East Elm Springfield, Missouri 65806
Inexco Oil Company	c/o The Louisiana Land and Exploration Company 2950 North Loop West Suite 1200 Houston, Texas 77092-8862 Attn: Ken Steer
EP Operating Company	ClayDesta National Bank Suite 5250, 6 Desta Drive Midland, Texas 79705 Attn: Jarlon Magee
Mesa Operating Limited Partnership	P. O. Box 2009 Amarillo, Texas 79189-2009 Attn: Mark Seale

Standard Oil Production
Company

5400 LBJ Freeway
Dallas, Texas 75240
Attn: Dianne Tripp

Applicant has caused to be conducted a good-faith diligent effort to find the correct addresses of all interested persons entitled to receive notice of this Application and the hearing thereon, but Applicant has been unable to ascertain whether the following named interest owners are living or deceased, or the present whereabouts or the last known addresses of the following named interest owners in the unit who have not agreed to pool their interests:

Florence M. Balkam
Mae Duncan Bauman
Louis E. Booker
R. W. Brown
W. C. Caldwell
Evan Christiansen
Floy Mae Mawhinney Dennis
Henry R. Elvidge
J. D. Evans
Frederick M. Grace
Ada L. Grew
William M. Hans
Earl L. Hansen
C. A. Hanson
C. R. Hemphill
W. J. Parrott
F. C. Holmes
W. A. Horn
Lillian Kennedy
Cynthia E. Larson
Cora I. Lohr Lau
Andrew E. Nelson
Frank O. Peterson
Charles E. Shipps
G. L. Whitman
Robert H. Woodburn
Estella Maple
Blanche L. Probert
Ethel Armentrout Peterson

Frank B. Balkam
Mildred L. Hitchcock
Anna B. Booker
Lucinda Brown
Ellen A. Crepow
Theline Christiansen
Lillian Mabel Drew
Effie M. Elvidge
Myrtle Evans
Alta Grace
Fred Kemper
Pearl Hans
Kathryn Hansen
Lillian Hanson
Ruby Hemphill
Muriel J. Parrott
Eva Holmes
Hazel Horn
Emma B. LaRoe
Charles R. Larson
George Lau
Bessie R. Nelson
Ella M. Peterson
Madge L. Shipps
Christina Whitman
Elizabeth H. Woodburn
Shirley F. Porter
H. Newell Probert
John Satoka

Henrietta L. McDermott
Fischer

Gertrude J. Sproule
Scullin

6. Applicant should be designated the operator of the well and the proration unit.

7. 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, his just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the surface down to the base of the Strawn formation, underlying W/2 SE/4 (if completed in the Strawn formation), or NW/4 SE/1 (if completed in any other zone) Section 26, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, should be pooled.

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

9. 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.

10. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share

of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

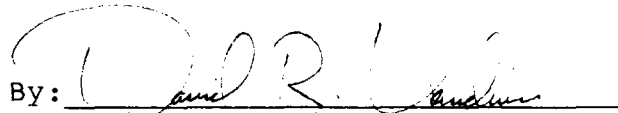
A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting Applicant permission to drill its Burton "AER" Com. No. 1 Well at a point 2,400 feet from the south line and 1,850 feet from the east line of Section 26, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and to dedicate the W/2 SE/4 (if completed in the Strawn formation), or NW/4 SE/4 (if completed in any other zone) of said Section 26 to said well.

C. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the surface down to the base of the Strawn formation underlying W/2 SE/4 (if completed in the Strawn formation), or NW/4 SE/4 (if completed in any other zone) Section 26, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, or such lesser portion as may be productive of oil and gas and dedicated to Applicant's well.

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

YATES PETROLEUM CORPORATION

By: 
David R. Vandiver

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant