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BEFORE THE OIL CONSERVATION DIVISION

FEB 27 1995

OF THE STATE OF NEW MEXICO

Oil Conservation Division

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR : **CASE NO. 11210**
COMPULSORY POOLING, CHAVES COUNTY, :
NEW MEXICO :
_____ :

PREHEARING STATEMENT

This prehearing statement is submitted by YATES PETROLEUM CORPORATION as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation

Ernest L. Carroll
Losee, Carson, Haas
& Carroll, P.A.
P. O. Box 1720
Artesia, NM 88211-1720
(505) 746-3505

OPPOSITION

Applicant is unaware of any entry of appearance in opposition to this application.

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interest from the surface through the Pecos Slope Abo Pool, underlying the SE/4 of Section 17, Township 10 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit, and dedicating said unit to its Rose Cannon "AOR" Com Well No. 1.

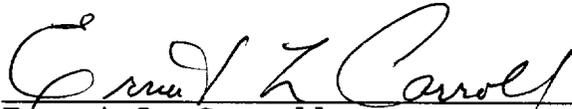
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Rob Bullock, Landman	10 min.	6
Dave Boneau, Engineering	20 min.	5

Respectfully submitted,

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

By: 
Ernest L. Carroll
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(505) 746-3505

Attorneys for Yates Petroleum Corporation

LAW OFFICES

RECEIVED
NEW MEXICO OIL CONSERVATION DIVISION

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

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January 23, 1995

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

11210

Re: Application of Yates Petroleum Corporation
for Compulsory Pooling, Rose Cannon AOR Com #1
Well, Chaves County, New Mexico

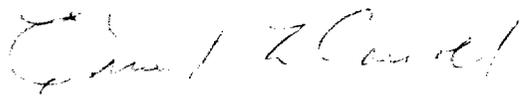
Dear Mr. LeMay:

I am enclosing herewith for filing Yates Petroleum Corporation's
Application as captioned above. We would ask that this be set at
the March 2, 1995, hearing.

Please return a copy to me for my file.

Very truly yours,

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



Ernest L. Carroll

ELC:kth
Encl.

xc w/encl: Tim De Young, Esq.
Rob Bullock

OIL CONSERVATION DIVISION
RECEIVED

3.5 miles

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

NW of the
Pecos River Bridge
on U.S. 380

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, CHAVES COUNTY, :
NEW MEXICO :
_____ :

CASE NO. 11210

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

South

1. Applicant has the right to produce the Rose Cannon AOR Com #1 Well in the Pecos Slope Abo Pool (Abo formation) as a gas well which is located at a point 1,980 feet from the south line and 660 feet from the east line of Section 17, Township 10 South, Range 25 East, N.M.P.M., Chaves County, New Mexico. Said well was drilled and completed January 13, 1995, but never produced.

2. The applicant has dedicated the southeast quarter of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

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

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 his just and fair share of the gas in said unit, all mineral interests, whatever they may be, from the surface through the Pecos Slope Abo Pool underlying the southeast quarter of said Section 17 should be pooled.

5. Any non-consenting working interest owner that does not pay his share of estimated costs to place the well into production should have withheld from production his share of the reasonable well costs, plus an additional 125% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. 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 that:

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

B. Upon hearing the Division enter its order pooling all mineral interest, whatever they may be, from the surface through the Pecos Slope Abo Pool (Abo formation) underlying the southeast quarter of said Section 17, Township 10 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, to form a 160-acre spacing unit dedicated to applicant's well.

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

YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll

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P. O. Box 1720
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Attorneys for Applicant