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August 23, 1995

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

Re: Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, New
Mexico/Case No. 11310

Application of Nearburg Exploration Company
for Compulsory Pooling, Eddy County, New
Mexico/Case No. 11311

Dear Mr. LeMay:

I am enclosing herewith for filing in the above-consolidated cases, the Motion of Yates Petroleum Corporation to Reopen Hearing and Amend Application for Compulsory Pooling, in duplicate.

Thank you for your assistance.

Very truly yours,

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



Ernest L. Carroll

ELC:kth

xc: Mr. W. Thomas Kellahin
Mr. Randy Patterson

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 11310

IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 11311

**MOTION OF YATES PETROLEUM CORPORATION TO REOPEN
HEARING AND AMEND APPLICATION FOR COMPULSORY POOLING**

1. On August 10, 1995, the consolidated Cases No. 11310 and No. 11311 came on for hearing, and at the conclusion of the evidence, the cases were taken under advisement by the Examiner. Counsel for both Yates Petroleum Corporation ("Yates") and Nearburg Exploration Company ("Nearburg") were given until Thursday, August 24, 1995, to submit suggested forms of order to the Examiner.

2. Evidence was adduced at the trial of said cases that the bulk of the working interest ownership was owned by three companies, Yates with 37.5%, Nearburg with 37.5% and Unit Petroleum Company ("Unit Petroleum") with 24.4443924%.

3. After the conclusion of said hearing, Yates engaged in discussions with Unit Petroleum which resulted in an agreement being reached between Unit Petroleum and Yates whereby Yates would change its desired location from the center of the NW/4 SE/4 of Section 16, Township 19 South, Range 25 East, to the center of the SW/4 SE/4 of Section 16, Township 19 South, Range 25 East. A copy

of that letter agreement between Unit Petroleum and Yates is attached hereto as Exhibit "A".

4. Yates presented evidence at the hearing that the geology between the location it initially preferred and that now agreed to by it and Unit Petroleum are basically the same, with both of them being geologically superior to that of the location advocated by Nearburg.

5. On Friday, August 18, 1995, counsel for Yates gave notice to counsel for Nearburg of the agreement and of its intent to file a Motion to Reopen the respective hearings held on August 10, 1995. Furthermore, Yates Petroleum proposed that Nearburg drop its application and join with Yates and Unit Petroleum in the drilling of the well in the center of the SW/4 SE/4 of Section 16, Township 19 South, Range 25 East.

6. At the time of filing this application, no response has been received from Nearburg.

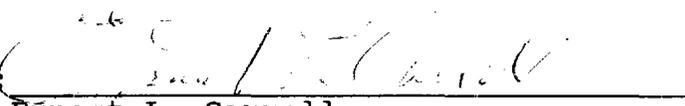
7. No prejudice will accrue by reason of the delay caused by reopening the consolidated hearings to any of the parties.

WHEREFORE, Yates requests that no order be issued in the consolidated cases until Yates' motion is heard and Yates hereby requests that a hearing be had on Yates' Motion to Reopen and Amend Application for Compulsory Pooling, in order to allow Yates to present to the Division evidence concerning its desire to pool the SE/4 for the drilling of a Canyon well in the SW/4 SE/4 of Section 16, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Respectfully submitted,

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

By


Ernest L. Carroll

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Artesia, New Mexico 88211-1720

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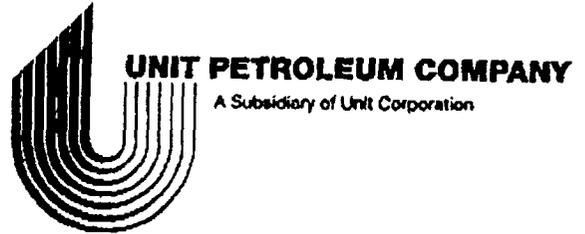
Attorneys for Yates Petroleum Corporation

I hereby certify that I caused to be mailed a true and correct copy of the foregoing to all counsel of record this August 23, 1995.



Ernest L. Carroll

August 16, 1995



Randy Patterson
 Yates Petroleum Corporation
 105 South Fourth Street
 Artesia, New Mexico 88210

RE: Boyd X State Com #9
 Section 16-19S-25E
 Eddy County, New Mexico
 Dagger Draw Prospect

Post-It® Fax Note	7871	Date	8/16/95	# of pages	1
To	Randy Patterson	From	Leslie Naughton		
Co./Dept.	Yates Petros	Co.	Unit Petro Co		
Phone #		Phone #	(918) 493-7700		
Fax #	(505) 748-4572	Fax #	(918) 493-7711		

Dear Mr. Patterson:

In response to Yates Petroleum Corporation and Nearburg Exploration Company's competing pooling application in Cases 11310 and 11311, which have been taken under advisement by the NMOCD, Unit Petroleum Company would be agreeable to supporting Yates as Operator provided they drill our preferred location being the center of the SW SE of Section 16-19S-25E. This well will be the first well drilled in the SE/4 of Section 16-19S-25E.

If you are willing to drill our proposed location, please sign below and return one copy of this letter to my attention.

You should also provide us with a copy of your attorney's transmittal letter to the NMOCD advising them of our agreement and change in location.

Respectfully yours,

Leslie J. Naughton
 Senior Landman

LJN/lis

ACCEPTED AND AGREED TO THIS 17th DAY OF August, 1995

YATES PETROLEUM CORPORATION

By:
 Title: Attorney-in-Fact

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