

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL
CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**CASE NO. 11666
CASE NO. 11677
Order No. R-10731-A**

**APPLICATION OF INTERCOAST OIL
AND GAS COMPANY FOR COMPUL-
SORY POOLING AND UNORTHODOX
GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.**

**APPLICATION OF YATES
PETROLEUM CORPORATION FOR
COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW
MEXICO.**

**ORDER DENYING MOTION FOR A STAY
OF DIVISION ORDER NO. 10731**

BY THE DIVISION:

This matter having come before the Division upon the request of Yates Petroleum Corporation for a Stay of Division Order No. R-10731 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this 30th day of January, 1997, the Division Director:

FINDS THAT:

(1) Division Order No. R-10731 was entered on January 12, 1997, upon the competing applications of Yates Petroleum Corporation (Yates) and InterCoast Oil and Gas Company (InterCoast) for compulsory pooling of the E/2 of Section 20, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) On January 21, 1997, Yates filed a request for a De Novo hearing with the Oil Conservation Commission, which case is now set for hearing on February 13, 1997.

(3) Yates filed a Motion to Stay Division Order No. R-10731 on January 24, 1997, and InterCoast filed its Response to this Motion on January 28, 1997.

(4) Granting the "Stay" would delay the drilling of the well which would risk the loss of valuable farmout rights.

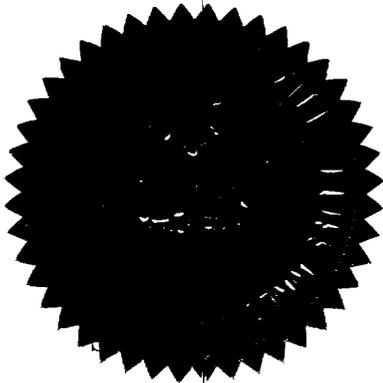
(5) Yates's Motion fails to allege circumstances that warrant a Stay of Division Order No. R-10731.

IT IS THEREFORE ORDERED THAT:

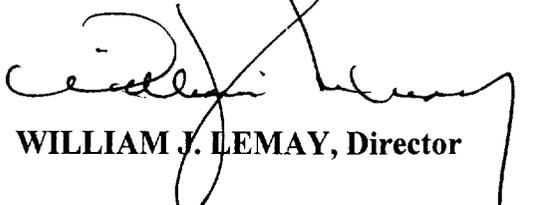
(1) Yates's Motion for a Stay of Division Order No. R-10731 is hereby denied.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director