

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF HARVEY E. YATES  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

NO. \_\_\_\_\_

APPLICATION

Harvey E. Yates Company hereby applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W $\frac{1}{2}$  of Section 24, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the W $\frac{1}{2}$  of said Section 24, and has the right to drill a well thereon.

2. Applicant proposes to drill its Travis ATR "24" State Com. Well No. 1, at an orthodox location, to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The W $\frac{1}{2}$  of Section 24 for all pools or formations spaced on 320 acres, including the Undesignated Palmillo Draw-Atoka Gas Pool, the Undesignated North Turkey Track-Morrow Gas Pool, and the Undesignated South Empire-Morrow Gas Pool;

(b) The SW $\frac{1}{4}$  of Section 24 for all pools or formations spaced on 160 acres;

(c) The N $\frac{1}{2}$ SW $\frac{1}{4}$  or E $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 24 for all pools or formations spaced on 80 acres, including the Undesignated Travis-Yates Gas Pool and the Undesignated Travis-Upper Pennsylvanian Pool; and

(d) The NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 24 for all pools or formations spaced on 40 acres, including the Undesignated Artesia Queen-Grayburg-San Andres Pool and the Undesignated East Illinois Camp-Bone Spring Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$  of Section 24 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W $\frac{1}{2}$  of Section 24, pursuant to *N.M. Stat. Ann. § 70-2-17 (1995 Repl. Pampl.)*.

5. The pooling of all mineral interests underlying the W $\frac{1}{2}$  of Section 24, as set forth above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- (a) Pooling all mineral interests in the W $\frac{1}{2}$  of Section 24, from the surface to the base of the Morrow formation;
- (b) Designating applicant as operator of the well;
- (c) Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;

- (d) Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates per the COPAS accounting procedure;
- (e) Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well; and
- (f) Granting such further relief as the Division deems proper.

Respectfully submitted,



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Company

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