

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF YATES PETROLEUM CORPORATION, FOR AN ORDER ESTABLISHING A 322.238 ACRE GAS PRORATION UNIT, COMPOSED OF THE N½ OF SECTION 28, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, INsofar AS THE FORMATION LYING BETWEEN THE UPPER AND LOWER LIMITS OF THE PENNSYLVANIAN GAS FORMATION IS AFFECTED, AND THE POOLING OF THE INTERESTS THEREIN.

MAIN OFFICE OCC

1961 JAN 10 PM 4 04

No. 2174

1. Yates Petroleum Corporation, as operator, entered into an operating agreement and a gas pooling agreement with Len Mayer, T. J. Jackson, A. N. Etz, George Etz and the Gulf Oil Corporation, on the 27th day of October, 1960. Said agreements designated the Dayton Townsite Gas Unit No. 3, which covers 322.238 acres, composed of the N½ of Section 28, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, insofar and only insofar as the same covers the formation lying between the upper and lower limits of the Pennsylvanian gas producing formation in said area. Said agreements are effective only as to the gas and associated hydrocarbons produced from operators well, which has been drilled as the Yates Petroleum Corporation, Len Mayer No. 1 well, and located 990 feet from the North line and 990 feet from the West line of said Section 28; that a plat of the unit area is hereto attached as Exhibit "A".

2. All of the N½ of said Section 28 has been subdivided into numerous small tracts, both as to surface and mineral interests. The parties to the aforesaid gas pooling agreement are either the owners in fee simple or are the holders and owners of oil and gas leases, covering all the tracts within the limits of said proposed unit area, except for 5.34392 acres, not covered by any oil and gas lease, which are owned by following named persons, whose names and addresses are hereinafter set out:

Handwritten signatures and date: 1-30-61

NAMEADDRESS

Wm. H. Swearingen ✓

Box 93 ✓
Santa Fe, New Mexico

New Mexico Tax Commission

Santa Fe, New Mexico ✓

Alice Heck Martin ✓)

Maze Heck Pinnell ✓)

Wave Heck Hill ✓)

C/O Robert Fox
Dool Building
Calexico, California

J. W. Potter ✓

Box 1027
Carlsbad, New MexicoJames W. Hall & ✓
Mrs. Inelle Ruddell South ✓402 Capitol City Bank Building
Des Moines, Iowa

*Wrote
Mailed
1-30-61*

That copies of this application have been mailed to each of said parties.

WHEREFORE, applicant requests a hearing, in order that the Commission may make such findings of fact and conclusions of law as shall be required to establish a 322.238 acre gas proration unit composed of the $N\frac{1}{2}$ of Section 28, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and approving the same as the Dayton Townsite Gas Unit No. 3.

Applicant further requests that the Commission, upon proper finds of fact and conclusions of law, enter its order permitting the applicant to produce the gas and associated hydrocarbons from the full unit area, and to hold, in suspense, all proceeds attributable to each of the tracts owned by those persons described in paragraph 2 hereof, until such time as said parties have paid their respective, pro-rata costs of development or, that the applicant be permitted to retain such share of the proceeds from production until such time as each said share of such proceeds shall equal such percentum of such respective shares of development cost as the Commission shall determine to be equitable, or such other and further orders as the Commission shall desire to enter in this case.

Respectfully submitted this 18th day of January, 1961.

YATES PETROLEUM CORPORATION

By *A. J. Yates*
President