



PARTIES FOR NOTICE PURPOSES:

Heyco Employees, Ltd.  
P. O. Box 1933  
Roswell, New Mexico 88202

Explorers Petroleum Corporation  
P. O. Box 1933  
Roswell, New Mexico 88202

Spiral, Inc.  
P. O. Box 1933  
Roswell, New Mexico 88202

Chevron U.S.A., Inc.  
P. O. Box 1150  
Midland, Texas 79702

W. T. Wynn  
1603 West Dengar  
Midland, Texas 79705

Harvey E. Yates Company  
Post Office Box 1933  
Roswell, New Mexico 88202

James H. Yates, Inc.  
906 South St. Francis Drive, Suite C  
Santa Fe, New Mexico 87501

Colkelan Corporation  
906 South St. Francis Drive, Suite C  
Santa Fe, New Mexico 87501

347.11/9

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

ERNEST L. PADILLA  
MARY JO SNYDER

FAX 988-7592  
AREA CODE 505

March 19, 1991

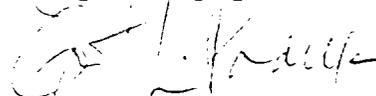
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL WORKING INTEREST OWNERS AND NON-CONSENTING  
WORKING INTEREST OWNERS (See attached list)

RE: Notice of Yates Energy Corporation's  
Application for Compulsory Pooling,  
East Prickly Pear Federal #1 Well, Eddy County,  
New Mexico

Pursuant to the Rules and Regulations of the General Rules of the Oil Conservation Division of New Mexico, notice is hereby given of the above-referenced application. You may protest the enclosed application by appearing at the hearing of this application which will be heard on April 18, 1991, beginning at the hour of 8:15 a.m., at the offices of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico.

Very truly yours,



Ernest L. Padilla

ELP:pmc

Enclosure: Copy of Application  
List of Owners

347.11

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347.11/9

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. (Extra charge)      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Colkelan Corp. 906 So. St. Francis Dr. Sta. C Santa Fe, NM 87501</i>	4. Article Number <i>P 438 031 740</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>	
5. Signature — Address <b>X</b>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b> <i>H. Stubbart</i>	
7. Date of Delivery <i>3/5/91</i>	

PS Form 3811, Mar. 1988      \* U.S.G.P.O. 1988-212-865      DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address. (Extra charge)      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>James H. Yates Inc. 1906 So. St. Francis Dr. Sta. C Santa Fe, NM 87501</i>	4. Article Number <i>P 438 031 739</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>	
5. Signature — Address <b>X</b>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b> <i>H. Stubbart</i>	
7. Date of Delivery <i>3/21/91</i>	

PS Form 3811, Mar. 1988      \* U.S.G.P.O. 1988-212-865      DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address. (Extra charge)      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>W. T. Wynn 1603 W. Linger Midland, TX 79705</i>	4. Article Number <i>P 327 278 550</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>	
5. Signature — Address <b>X</b> <i>W. T. Wynn</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b>	
7. Date of Delivery <i>3-21</i>	

3 and 4.  
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1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

Article Addressed to: Chevron U.S.A. Inc. P.O. Box 1150 Midland, TX 79702		4. Article Number P 327 278 555
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature -- Address X	MAR 21 1991	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature -- Agent X	<i>[Signature]</i>	
7. Date of Delivery		

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

1. Article Addressed to: Harvey E. Yates Co. P.O. Box 1933 Roswell, NM 88202		4. Article Number P 327 278 557
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature -- Address X		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature -- Agent X	<i>[Signature]</i>	
7. Date of Delivery	3-22-91	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Spiral, Inc. P.O. Box 1933 Roswell, NM 88202		4. Article Number P 327 278 554
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature -- Address X		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature -- Agent X	<i>[Signature]</i>	
7. Date of Delivery	3-22-91	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery (Extra charge)

Article Addressed to: <i>Explorers Petroleum Corp. P.O. Box 1933 Roswell, NM 88202</i>	4. Article Number <i>P 327 278 553</i>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address <i>X</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>X</i>	
7. Date of Delivery <i>3-22-91</i>	

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Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Keyco Employees, Ltd. P.O. Box 1933 Roswell, NM 88202</i>	4. Article Number <i>P 327 278 552</i>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
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7. Date of Delivery <i>3-22-91</i>	

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BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF YATES ENERGY CORPORATION FOR )  
COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )  
\_\_\_\_\_ )

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

APPLICATION

COMES NOW, YATES ENERGY CORPORATION, by and through its attorneys, Padilla & Snyder, Attorneys At Law, and in support hereof, respectfully states:

1. Applicant has the right to drill its East Prickly Pear Federal #1 Well to test the Delaware Formation at an approximate total depth of 6,100 feet below the surface of the earth, underlying the SE/4NE/4 Section 12, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico to form a standard 40-acre oil spacing and proration unit dedicated to a well to be drilled at a standard oil well location.

2. The applicant has dedicated the SE/4NE/4 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 oil in said unit, all mineral interests, whatever they may be, from the surface to the base of the Delaware Formation underlying the SE/4NE/4 of said Section 12 should be pooled.

5. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% 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.

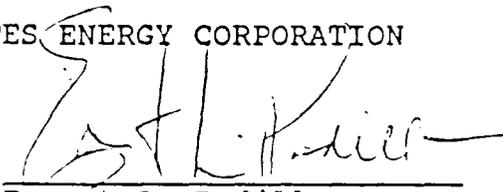
WHEREFORE, applicant prays that:

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 to the base of the Delaware Formation underlying the SE/4 NE/4 of said Section 12 Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, to form a 40 acre spacing unit dedicated to applicant's well.

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

YATES ENERGY CORPORATION

By: 

Ernest L. Padilla

PADILLA & SNYDER  
P. O. Box 2523  
Santa Fe, New Mexico 87504-2523

Attorneys for Applicant

347.11/4