

LAW OFFICES

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

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

March 24, 1992

RECEIVED

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

164167

Re: Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for compulsory pooling in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner as soon as possible and that we be furnished with a copy of the docket for said hearing.

Yours truly,

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


Ernest L. Carroll

ELC:bjk
Enclosures

cc w/encl: Ms. Mecca Mauritsen

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 10467

RECEIVED

OIL CONSERVATION DIVISION

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,
and in support hereof respectfully states:

1. Applicant has the right to drill its Chalk "AKH" Federal No. 2 Well in the Morrow formation as a gas well, which is to be located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the N/2 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 un-

necessary expense his just and fair share of the gas in said unit, all mineral interests, whatever they may be, from 5,000 feet below the surface down through and including the Morrow formation underlying the N/2 of said Section 27, should be pooled.

5. That any non-consenting working interest owner who 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:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from 5,000 feet below the surface down through and including the Morrow formation underlying the N/2 of said Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

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

YATES PETROLEUM CORPORATION

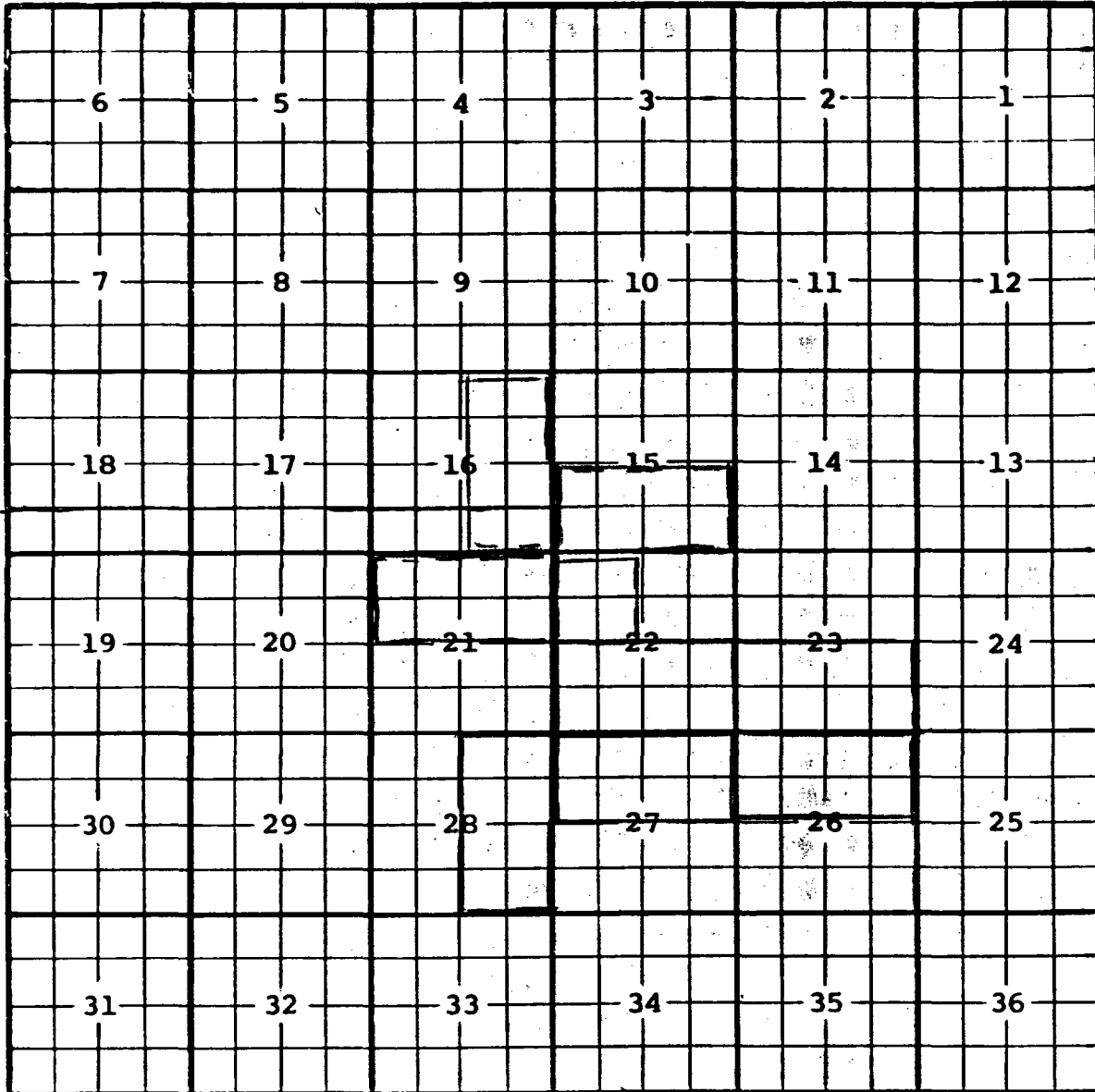
By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Applicant

COUNTY Eddy POOL Red Lake - Atoka - Morrow Gas

TOWNSHIP 18 South RANGE 27 East NMPM



Description: $\frac{N}{2}$ Sec. 27 (R-3342, 12-1-67) EXT: $\frac{S}{2}$ Sec. 22, $\frac{S}{2}$ Sec. 23,
 $\frac{E}{2}$ Sec. 28 (R-6170, 11-1-79)

Extend vertical limits to include Atoka formation and redesignate
as East Atoka Atoka - Morrow Gas Pool (R-7502, 4-20-84)

Redesignate as Red Lake Atoka - Morrow Gas Pool (R-7555, 6-14-84)

EXT: NW/4 SEC. 22 (R-8522, 10/1/87) EXT: $\frac{S}{2}$ SEC 15 (R-8665, 6/9/88)

EXT: N/2 sec 26 (R-8969, 8-1-89) EXT: $\frac{E}{2}$ Sec. 16 (R-9326, 11-7-90)

EXT: N/2 SEC 21 (R-9473, 4-1-91)

ILLEGIBLE

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