

March 23, 1989

*DC*

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Case Nos. 9629 and 9630  
Township 10 South, Range 26 East, NMPM  
Section 36: E/2  
Chaves County, New Mexico

Gentlemen:

Please consider the application of Yates Petroleum Corporation in Case No. 9629 to be amended to provide for the drilling of the proposed well at the unorthodox location set forth in Case No. 9630.

Thank you.

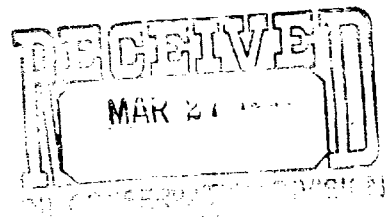
Sincerely yours,

DICKERSON, FISK & VANDIVER

*Chad Dickerson*  
Chad Dickerson

CD:pvw

cc: Mr. W. Thomas Kellahin  
Mr. Randy G. Patterson



Chad Dickerson

John Fisk

David R. Vandiver

James W. Catron

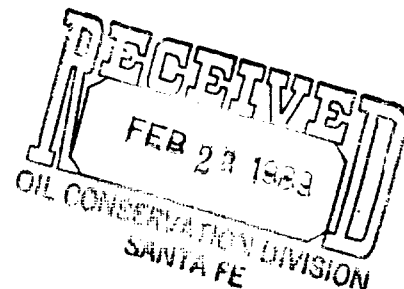
DICKERSON, FISK & VANDIVER

ATTORNEYS AT LAW

Seventh & Mahone / Suite E / Artesia, New Mexico 88210 / (505) 746-9841

Case No. 9629

February 21, 1989



Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Township 10 South, Range 26 East, NMPM  
Section 36: E/2  
Chaves County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on March 15, 1989.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

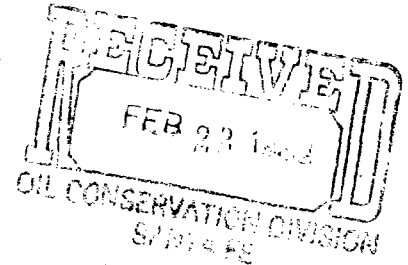
A handwritten signature in cursive script that reads "Chad Dickerson".

Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Ms. Kathy Colbert

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO



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

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CASE NO. 96 29

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following described lands in Chaves County, New Mexico:

Township 10 South, Range 26 East, N.M.P.M.

Section 36: E/2

containing 320 acres, more or less,  
and proposes to drill a well at an orthodox location 1,980 feet from the north line and 1,980 feet from the east line of Section 36 to a depth sufficient to test all formations from the surface through the base of the Ordovician formation, at approximately 6,900 feet.

2. A standard 320-acre proration unit comprising the E/2 of said Section 36 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas from any formation developed on 320-acre spacing.

3. There are interest owners in the unit who have not agreed to pool their interests.

4. Applicant should be designated the operator of the well and the proration unit.

5. 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 and gas in said unit, all mineral interests, whatever they may be, should be pooled.

6. 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.

7. 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.

8. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

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 the top of the Wolfcamp down to the base of the Ordovician formation, underlying E/2 Section 36, Township 10 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, or such lesser portion thereof as may be productive of oil and gas and dedicated to Applicant's well.

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

YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

DICKERSON, FISK & VANDIVER  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant