

OIL CONSERVATION DIVISION  
RECEIVED

LAW OFFICES

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

ERNEST L. CARROLL  
JOEL M. CARSON  
JAMES E. HAAS  
A. J. LOSEE

'89 NOV 16 AM 9 01  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE  
(505) 746-3508  
TELECOPY  
(505) 746-6316

November 15, 1989

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

*Set for  
12/27/89*

*m. s.*

*Case 9845*

Re: In the Matter of the Application of  
Yates Energy Corporation for Compulsory  
Pooling, Eddy County

Dear Mr. LeMay:

Enclosed for filing, please find three copies of the Application captioned above. I would ask that this case be set for a hearing date after December 13, 1989.

Please return one copy to me, stamped received, in the enclosed envelope.

Thank you very much.

Very truly yours,

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

*Ernest L. Carroll*

Ernest L. Carroll

ELC:kth  
Enclosures

cc w/encl: Yates Energy Corporation

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

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CASE NO. 9845

APPLICATION

COMES NOW YATES ENERGY CORPORATION, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant has the right to drill its Thornbush Federal #1 Well in the Bone Spring Formation as an oil well, which is to be located at a point 330 feet from the south line and 1,9<sup>3</sup>~~8~~0 feet from the west line of Section 1, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the SE/4 of the SW/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, in the Bone Spring Formation underlying the SE/4 of the SW/4 of said Section 1 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, in the Bone Spring Formation underlying the SE/4 of the SW/4 of said Section 1, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, to form a 640-acre spacing unit dedicated to applicant's well.

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

YATES ENERGY CORPORATION

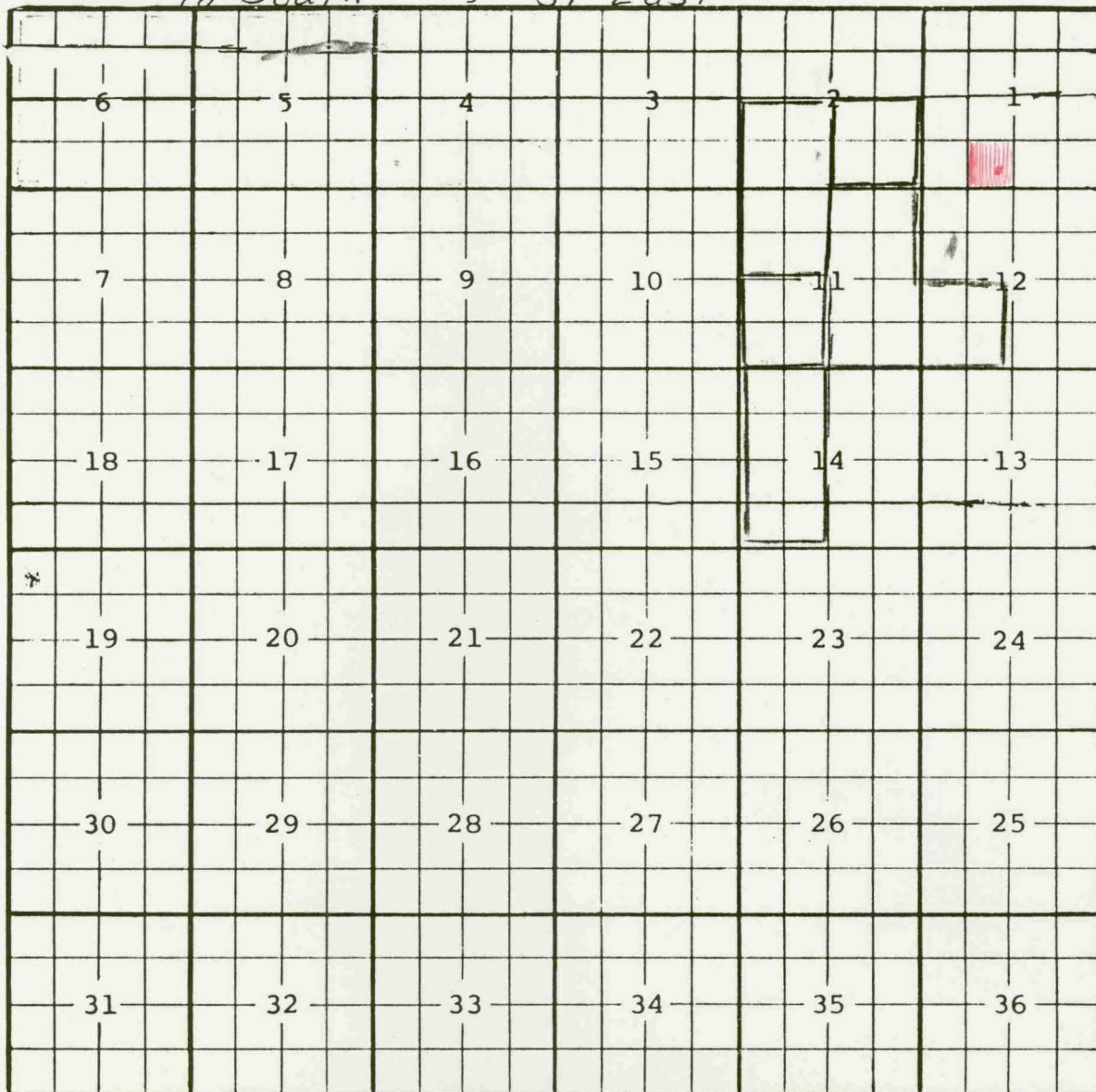
By:   
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

Attorneys for Applicant

County Eddy Pool Tamano - Bone Spring

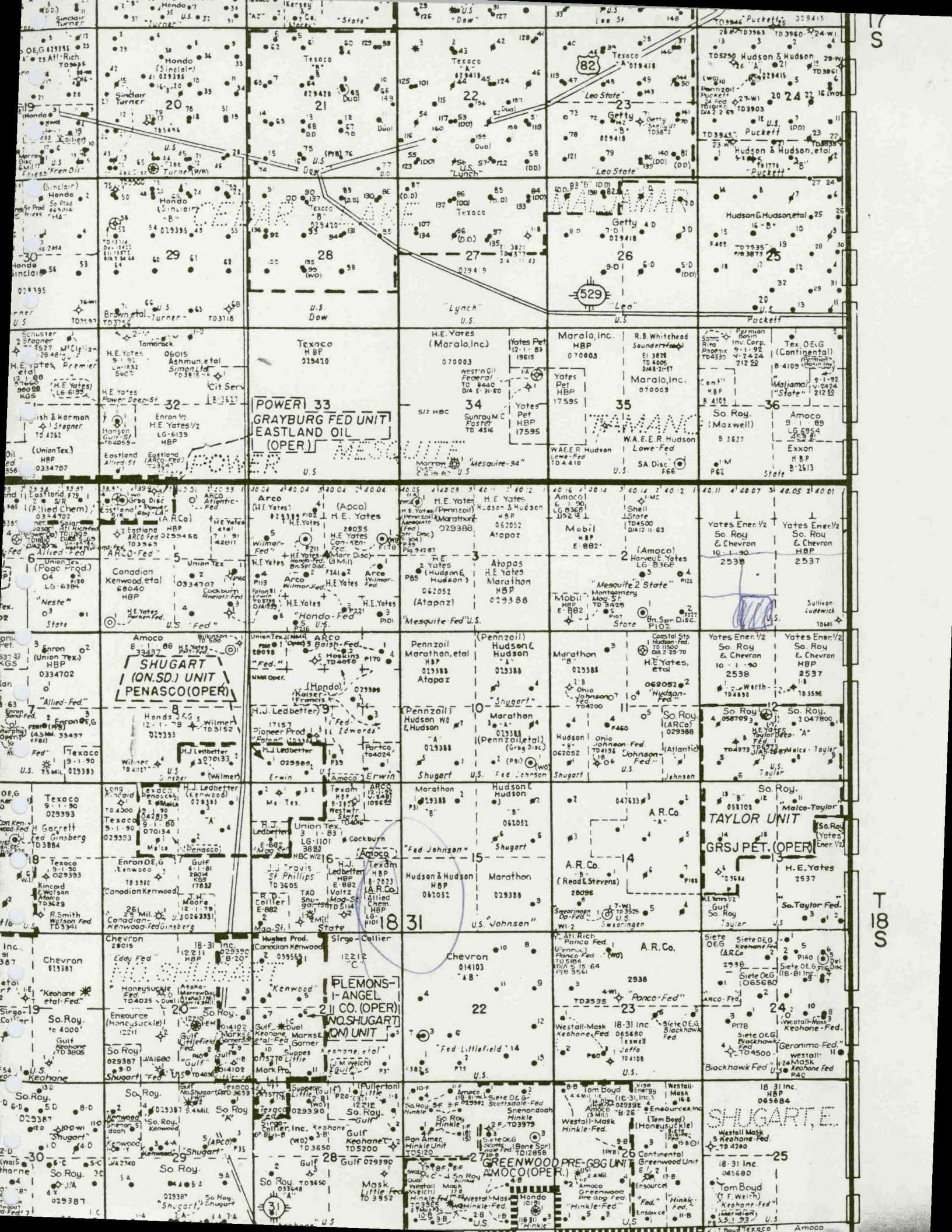
TOWNSHIP 18 South Range 31 East NMPM



Description: SE $\frac{1}{4}$  Sec. 2 (R-7958, 6-12-85)

Ext: SW $\frac{1}{4}$  Sec. 2, NW $\frac{1}{4}$  Sec. 11 (R-8229, 5-19-86) EXT: E $\frac{1}{2}$  SEC 11, SW $\frac{1}{4}$  SEC 12  
(R-8562 12/4/87) EXT: SW $\frac{1}{4}$  SEC 11 (R-8627, 4/1/88) EXT: W $\frac{1}{2}$  SEC 14 (R-8747, 9/19/88)





**POWER 33**  
**GRAYBURG FED UNIT**  
**EASTLAND OIL**  
**(OPER)**

**SHUGART**  
**(ON SD) UNIT**  
**PENASCO (OPER)**

**TAYLOR UNIT**  
**GRSJ PET. (OPER)**

**PLEMONS-1**  
**ANGEL**  
**2 CO. (OPER)**  
**WOSHUGART**  
**ON UNIT**

**SHUGART, E.**

**GREENWOOD PRE-CEG UNIT**  
**AMOCO (OPER)**

LAW OFFICES OIL CONSERVATION DIVISION  
LOSEE, CARSON, HAAS & CARROLL P.A.

ERNEST L. CARROLL  
JOEL M. CARSON  
JAMES E. HAAS  
A. J. LOSEE

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ARTESIA, NEW MEXICO 88211-0239

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(505) 746-6316

November 20, 1989

*Case 9845*

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

Re: In the Matter of the Application of  
Yates Energy Corporation for Compulsory  
Pooling, Eddy County

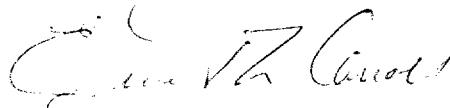
Dear Mr. LeMay:

Enclosed for filing, please find three copies of the Amended  
Application captioned above.

Please return one copy to me, stamped received, in the enclosed  
envelope. Thank you for your assistance in this matter.

Very truly yours,

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



Ernest L. Carroll

ELC:kth  
Enclosures

cc w/encl: Yates Energy Corporation  
W. T. Wynn  
Harvey E. Yates Co., et al  
Chevron, U.S.A., Inc.



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

NOV 22 1960  
OIL CONSERVATION DIVISION

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

CASE NO.

9845

AMENDED  
APPLICATION

COMES NOW YATES ENERGY CORPORATION, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant has the right to drill its Thornbush Federal #1 Well in the Bone Spring Formation as an oil well, which is to be located at a point 330 feet from the south line and 1,930 feet from the west line of Section 1, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the SE/4 of the SW/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, in the Bone Spring Formation underlying the SE/4 of the SW/4 of said Section 1 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.

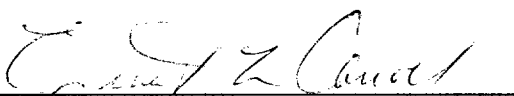
WHEREFORE, applicant prays that:

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, in the Bone Spring Formation underlying the SE/4 of the SW/4 of said Section 1, 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. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

Attorneys for Applicant



CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 17, 1990

HAND-DELIVERED

RECEIVED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

JAN 17 1990

OIL CONSERVATION DIV.  
SANTA FE

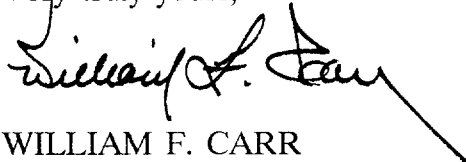
Re: Oil Conservation Division Case No. 9845 (De Novo); Order No. R-9093  
In the Matter of the Application of Yates Energy Corporation for  
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an Application of Spiral, Inc., Explorers Petroleum Corporation and Heyco Employees, Ltd., for a De Novo hearing the above-referenced case. We would appreciate this matter being placed on the next Commission hearing docket.

Your assistance in this matter is appreciated.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Sherri Darr  
Harvey E. Yates Company  
Post Office Box 1933  
Roswell, New Mexico 88201

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

February 9, 1990

**HAND-DELIVERED**

William J. LeMay, Director  
State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

**RECEIVED**

FEB 9 1990

OIL CONSERVATION DIV.  
SANTA FE

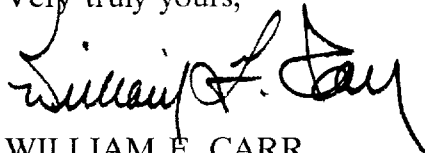
Re: Oil Conservation Commission Case 9845 (De Novo)  
Application of Yates Energy Corporation for Compulsory Pooling, Eddy  
County, New Mexico

Dear Mr. LeMay:

Upon application of Spiral, Inc., Explorers Petroleum Corporation and HEYCO Employees Ltd., the above-referenced case has been set for a hearing De Novo before the full Oil Conservation Commission on February 15, 1990. The purpose of this letter is to request that the application of Spiral, Inc., Explorers Petroleum Corporation and HEYCO Employees Ltd., for hearing De Novo be dismissed.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Sherri Darr  
Ernest L. Padilla, Esq.

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 9845  
ORDER NO. R-9093

APPLICATION OF SPIRAL INC.,  
EXPLORERS PETROLEUM CORPORATION and  
HEYCO EMPLOYEES, LTD.,  
FOR A DE NOVO HEARING

**RECEIVED**

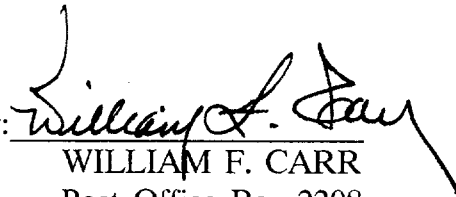
JAN 17 1990

OIL CONSERVATION DIV.  
SANTA FE

COMES NOW SPIRAL INC., EXPLORERS PETROLEUM CORPORATION and  
HEYCO EMPLOYEES, LTD., by and through their undersigned attorneys, Campbell &  
Black, P.A., and pursuant to Section 70-2-13, N.M.S.A., 1978 states that it is a party  
adversely affected by Division Order R-9093 entered on January 8, 1990 in Case 9845  
(Exhibit "A") and accordingly requests that this case be set for a De Novo hearing before  
the New Mexico Oil Conservation Commission.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR SPIRAL INC.,  
EXPLORERS PETROLEUM  
CORPORATION and  
HEYCO EMPLOYEES, LTD.