

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED  
NOV 10 1985

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

OIL CONSERVATION DIVISION

Case 8 775

APPLICATION

Comes now, YATES PETROLEUM CORPORATION, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Abo formation in and under the SW/4 of Section 23, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 89.2875% of the working interest in and under the SW/4 of Section 23, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Sandbur ADC State Com. No. 1 Well to be drilled at an orthodox location 660 feet from the South and West lines of said Section 23.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SW/4 of said Section 23, except for the following:

Mesa Petroleum Company  
Vaughn Building  
Suite 1000  
Midland, Texas 79702  
Attn: Kevin Dentzer

8.4897% WI

Sequoia Associated, Ltd.  
c/o Bechtel Investments Inc.  
P. O. Box 2166  
Houston, Texas 77252-2166

1.0177% WI

Texaco, Inc.  
Box 3109  
Midland, Texas 79702

1.2051% WI

4. Said pooling of interests and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

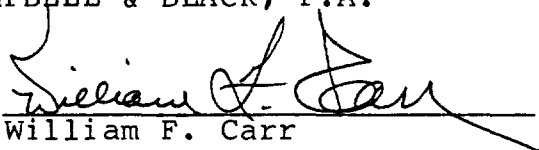
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 4, 1985, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

  
William F. Carr

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ATTORNEYS FOR YATES PETROLEUM  
CORPORATION