

July 31, 1986

Case 8970

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation  
for New Pool Creation and Establishment of  
Temporary Special Pool Rules, Sanmal Queen  
Pool, Lea County, New Mexico, sent to file  
on July 14, 1986

Gentlemen:

Enclosed for filing in connection with the captioned Application,  
please find an Affidavit of Mailing, reflecting mailing of true  
copies of the Application and letter amending such Application,  
to Grace Petroleum Corporation.

Thank you.

Sincerely yours,

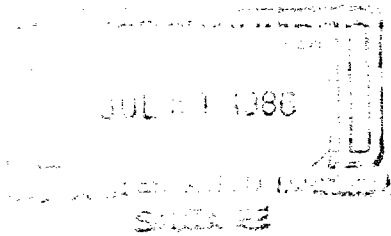
DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pv  
Enclosure

cc w/enclosure: Mr. Jerry Sexton  
Mr. Dave Boneau  
Mr. Rob Bullock



July 17, 1986

*Case 8970*

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation  
for New Pool Creation and Establishment of  
Temporary Special Pool Rules, Sanmal Queen  
Pool, Lea County, New Mexico, sent to file  
on July 14, 1986

Gentlemen:

Enclosed for filing in connection with the captioned Application,  
please find an Affidavit of Mailing, reflecting mailing of true  
copies of the Application and letter amending such Application,  
to all interested parties.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

*Chad Dickerson*

Chad Dickerson

CD:pv  
Enclosure

cc w/enclosure: Mr. Jerry Sexton  
Mr. Dave Boneau  
Mr. Rob Bullock

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION :  
FOR NEW POOL CREATION, AND ESTAB- : CASE NO. 8970  
LISHMENT OF TEMPORARY SPECIAL :  
POOL RULES, SANMAL QUEEN POOL, :  
LEA COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO )  
  : ss.  
COUNTY OF EDDY )


The undersigned, being first duly sworn, upon oath, states that on July 17, 1986, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the Application of Yates Petroleum Corporation for New Pool Creation, and Establishment of Temporary Special Pool Rules, Sanmal Queen Pool, Lea County, New Mexico, together with copies of the letter of July 15, 1986, amending the same, requesting the establishment of temporary special pool rules for the Sanmal Queen Pool for Queen oil production, to all operators of wells and each unleased mineral owner within the proposed pool boundaries and all operators of wells within one mile of such boundaries, in accordance with Rule 1207, in securely sealed, certified mail, return receipt requested, postage prepaid envelopes, addressed to the following named parties:

Lynx Petroleum Consultants, Inc.  
P. O. Box 1666  
Hobbs, New Mexico 88241-1666

Mobil Producing Texas & New Mexico, Inc.  
P. O. Box 633  
Midland, Texas 79702

Grace Petroleum Corporation  
731 West Wadley, Building L  
Suite 217  
Midland, Texas 79702

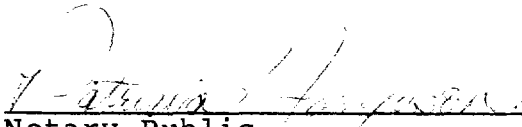
Cleary Petroleum  
P. O. Drawer 2358  
Midland, Texas 79702

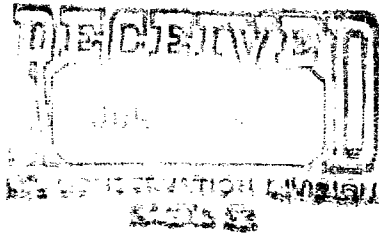
  
\_\_\_\_\_  
Patti Vermillion

SUBSCRIBED AND SWORN TO before me this 17th day of  
July, 1986.

My commission expires:

12-88

  
\_\_\_\_\_  
Notary Public



July 15, 1986

*Case 8970*

Mr. R. L. Stamets  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation  
for New Pool Creation and Establishment of  
Temporary Special Pool Rules, Sanmal Queen  
Pool, Lea County, New Mexico, sent to file  
on July 14, 1986

Dear Mr. Stamets:

I received a call from Paul Kautz of the Hobbs Office of the Oil Conservation Division advising that the creation of the Sanmal Pool, which is the subject of the captioned application, is set for nomenclature hearing on August 6, 1986.

On behalf of Yates Petroleum Corporation, we therefore amend the application to delete the request for pool creation, and proceed only upon the establishment of the requested temporary pool rules.

Thank you.

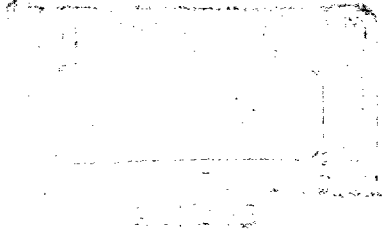
Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pv

cc: Mr. Jerry Sexton  
Mr. Dave Boneau



July 14, 1986

*Case 8970*

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for New Pool Creation, and Establishment of Temporary Special Pool Rules, Sanmal Queen Pool, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pv  
Enclosures

cc w/enclosure: Mr. Jerry Sexton  
Mr. Dave Boneau

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF YATES PETROLEUM CORPORATION :  
FOR NEW POOL CREATION, AND ESTAB- : CASE NO. 8470  
LISHMENT OF TEMPORARY SPECIAL :  
POOL RULES, SANMAL QUEEN POOL, :  
LEA COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

APPLICATION

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

1. Applicant, on March 4, 1986, completed its Hoover "ADR" State No. 1 Well, located in Unit Letter I, 1,650 feet from the south line and 990 feet from the east line of Section 1, Township 17 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This oil well produces from the Queen interval through perforations from 3,767 feet to 3,774 feet. Applicant herein seeks to have such discovery well designated to justify creation of a new pool for Queen oil production to be known as the Sanmal Queen Pool, Lea County, New Mexico.

2. Since completion of the discovery well, and in confirmation thereof, Applicant completed its Sweet Thing "AEB" State No. 1 Well, located in Unit Letter J, 1,980 feet from the south line and 1,980 feet from the east line of Section 1, Township 17 South, Range 33 East, N.M.P.M., Lea County, New Mexico,

on July 4, 1986. This oil well produces from the Queen interval through perforations between 3,744 feet and 3,761 feet.

3. Such wells are not located within an existing pool for Queen production, nor within one mile from any such existing pool.

4. Applicant requests that such pool rules be temporary, to be reviewed after one year of production history, and to permit a Gas-Oil Ratio of 5,000 cubic feet per barrel of oil, without penalty on the production allowable otherwise permitted under Rule 505 of the New Mexico Oil Conservation Division. Such Gas-Oil Ratio is in excess of that otherwise permitted under Rule 506.

5. Approval of this Application will be in the interest of conservation, the prevention of waste and the protection of 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 creating the Sanmal Queen Pool for oil production from the Queen formation as discovered by Applicant's Hoover "ADR" State No. 1 Well, and establishing temporary special pool rules for such pool, to be reviewed after one year of production history, permitting a Gas-Oil Ratio of 5,000 cubic feet per barrel of oil,



without penalty on the production allowable otherwise permitted under Rule 505 of the New Mexico Oil Conservation Division.

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

YATES PETROLEUM CORPORATION

By: Chad Dickerson  
Chad Dickerson

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

Attorneys for Applicant