

January 5, 1987

Case 9070

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

Re: Parrish "IV" Com. No. 1 Well
Township 19 South, Range 25 East, NMPM
Section 19: SE/4
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy 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: 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, EDDY COUNTY, :
NEW MEXICO :
_____ :

CASE NO. 10,158

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 Eddy County, New Mexico:

Township 19 South, Range 25 East, N.M.P.M.

Section 19: SE/4

containing 160 acres, more or less, from the surface down to 7,934 feet,

and proposes to drill its Parrish "IV" Com. No. 1 Well at a point 1,980 feet from the south line and 1,980 feet from the east line of said Section 19, to a depth sufficient to penetrate the Cisco Canyon formation.

2. A standard 160-acre proration unit comprising the SE/4 of said Section 19 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in the Cisco Canyon formation; and a standard 40-acre oil proration unit comprising NW/4 SE/4 of said Section 19 should

be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in any upper zone.

3. There is an interest owner in the unit who has not agreed to pool its interest, and the name and address of such party is as follows:

Amoco Production Company
P. O. Box 3092
Houston, Texas 77253

Attention: Julie Talbot

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, its just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, in the Cisco Canyon formation, underlying SE/4 (if completed in the Cisco Canyon formation), or NW/4 SE/4, from the surface to the base of the deepest productive zone (if completed in an upper zone), Section 19, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, should be pooled.

6. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its 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, in the Cisco Canyon formation, underlying SE/4 (if completed in the Cisco Canyon formation), or NW/4 SE/4, from the surface to the base of the deepest productive zone (if completed in an upper zone), Section 19, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, or such lesser portion 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*
Chad Dickerson

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