

CAMPBELL & BLACK, P.A.
LAWYERS

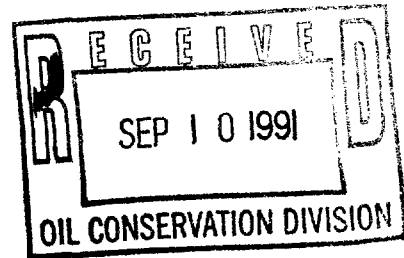
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September 10, 1991

HAND-DELIVERED

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



10396

Re: In the Matter of the Application of Yates Petroleum Corporation for
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the October 3, 1991 Examiner hearings.

Very truly yours,

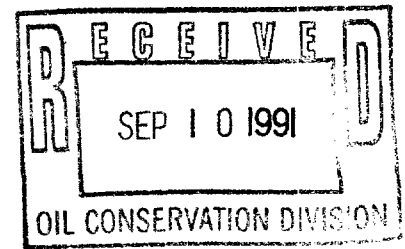
A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style and is positioned above the printed name.

WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Michael R. Burch
Landman
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210



BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 10396

APPLICATION

Yates Petroleum Corporation, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests from the surface to the base of the Canyon formation in all formations developed on 40-acre spacing in the NW/4 NW/4 of Section 29, and in all formations developed on 160-acre spacing in the NW/4 of Section 29, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 50% of the working interest in the NW/4 NW/4 and 42.7% of the working interest in and under the NW/4 of Section 29, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in the NW/4 NW/4 of Section 29, to a depth of approximately 8,100 feet to test the Canyon formation, North Dagger Draw Upper Pennsylvanian Pool.

3. Applicant has sought either voluntary agreement for pooling or farmout from all other interest owners in the NW/4 of said Section 29.

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

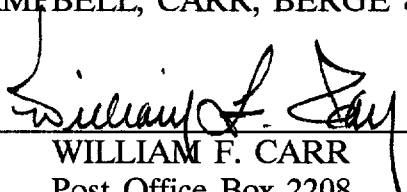
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, these interests in Section 29 should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 1991 and, 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.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By:



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ATTORNEYS FOR YATES
PETROLEUM CORPORATION