

OIL CONSERVATION DIVISION

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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. 8397

APPLICATION

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

1. Applicant has the right to drill its Anthill "WAK" State No. 1 Well as a gas well, to a depth sufficient to test the Morrow formation, which is to be located 660 feet from the south line and 2,150 feet from the east line of Section 2, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant intends to dedicate the S/2 of said Section 2 to this well, and there are interest owners in the pro-ration unit who have not agreed to pool their interests. The parties who have not agreed to pool their interests, and their addresses are as follows:

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Cal-Mon Oil Company
P. O. Box 2066
Midland, Texas 79702

J. H. Herd
P. O. Box 130
Midland, Texas 79702

Marshall & Winston, Inc.
P. O. Box 874
Midland, Texas 79702

Estoril Producing Corporation
11th Floor, Vaughn Building
Midland, Texas 79701

John H. Hendrix
525 Midland Tower
Midland, Texas 79701

Joe R. Henderson
308 N. Colorado, Patio Bldg.
Midland, Texas 79701

Horseshoe Oil & Gas Corporation
P. O. Box 1715
Midland, Texas 79702

Victor H. Zoller
910 Midland National Bank Tower
Midland, Texas 79701

J. M. Welborn
1212 First Nat'l Pioneer Bldg.
Lubbock, Texas 79401

A. T. Carleton
P. O. Box 293
Midland, Texas 79702

Barnes Adelante Trusts No. 2
P. O. Box 505
Midland, Texas 79702

Jane Barnes Ramsland
P. O. Box 10505
Midland, Texas 79702

Russell J. Ramsland, Jr.
Box 505
Midland, Texas 79702

V. Elaine Barnes Murphy
P. O. Box 505
Midland, Texas 79702

Laurie M. Barnes Reid
P. O. Box 505
Midland, Texas 79702

Viola S. Barnes
P. O. Box 505
Midland, Texas 79702

W. Forrest Wynn
Preston State Bank, Suite 701
8111 Preston Road
Dallas, Texas 75225

Hill Revocable Trusts
3404 Ft. Worth Nat'l Bank Bldg.
Midland, Texas 79702

Nautilus Exploration, Inc.
P. O. Box 1715
Midland, Texas 79702

Jack Markham
1500 Broadway, Suite 1212
Lubbock, Texas 79401

Ernest Angelo, Jr.
410 North Main Street
Midland, Texas 79701

Robert L. Monaghan
P. O. Box 2066
Midland, Texas 79701

Russell J. Ramsland, Sr.
P. O. Box 505
Midland, Texas 79702

Claudia Jane Ramsland Burch
P. O. Box 10505
Midland, Texas 79702

J. Clem Barnes
1308 Gihls Tower West
Midland, Texas 79701

Christine Barnes Ray
P. O. Box 505
Midland, Texas 79702

Steven C. Barnes
P. O. Box 505
Midland, Texas 79702

C. F. Wynn
P. O. Box 6832
Houston, Texas 77265

Shirley Barnes Wynn
Preston State Bank, Suite 701
8111 Preston Road
Dallas, Texas 75225

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 gas in said unit, all mineral interests, whatever they may be, from the top Wolfcamp formation through the base of the Morrow formation underlying the S/2 of said Section 2, 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:

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, from the

Wolfcamp formation through the base of the Morrow formation, underlying the S/2 of said Section 2, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit 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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P. O. Drawer 239
Artesia, New Mexico 88210

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