

November 17, 1986

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OIL & GAS DIVISION  
SANTA FE, N.M.

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

*Case 9058*

Re: Humble City "ACL" No. 1 Well  
Township 17 South, Range 37 East, NMPM  
Section 14: N/2 NE/4  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling, 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: 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, LEA COUNTY, :  
NEW MEXICO :  
\_\_\_\_\_ :

CASE NO. 9058

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 Lea County, New Mexico:

Township 17 South, Range 37 East, N.M.P.M.

Section 14: N/2 NE/4

containing 80 acres, more or less,  
and proposes to drill its Humble City "ACL" No. 1 Well at a point 760 feet from the north line and 1,880 feet from the east line of said Section 14, to a depth sufficient to penetrate the Atoka formation, at approximately 11,800 feet.

2. Said lands are within the Humble City-Strawn Pool created by Order No. R-4338, et seq, which establishes 80-acre spacing units for the Strawn formation.

3. A standard 80-acre oil proration unit comprising the N/2 NE/4 of said Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be

productive of oil in the Strawn formation; and a standard 40-acre oil proration unit comprising the NW/4 NE/4 of said Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in any other zone.

4. There are interest owners in the unit who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Exxon Company, USA	P. O. Box 1600 Midland, Texas 79702 Attn: Harry Hugly
Colin McMilan	118 West First Street Roswell, New Mexico 88201 Attn: Bill Owen
David Petroleum Corporation	118 West First Street Roswell, New Mexico 88201 Attn: Bill Owen
Inexco Oil Company	2950 North Loop West Suite 12000 Houston, Texas 77092 Attn: Ken Steer
Nadine Loveless	P. O. Box 566 Roswell, New Mexico 88201
Lucinda Loveless Hershenhorn	808 East Deerpath Road Lake Forest, Illinois 60045
Amerada Hess Corporation	1200 Milam Building Houston, Texas 77002-5681
Carolyn Schlicher	P. O. Box 606 Roswell, New Mexico 88201
Fred Schlicher	P. O. Box 606 Roswell, New Mexico 88201

5. Applicant should be designated the operator of the well and the proration unit.

6. 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 oil and gas in said unit, all mineral interests, whatever they may be, from the surface down to the base of the Atoka formation, underlying N/2 NE/4 (if completed in the Strawn formation), or NW/4 NE/4 (if completed in any other zone) Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, should be pooled.

7. 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.

8. 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.

9. 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, from the surface down to the base of the Atoka formation, underlying N/2 NE/4 (if completed in the Strawn formation), or NW/4 NE/4 (if completed in any other zone) Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea 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

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(505) 746-9841

Attorneys for Applicant