

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF :
HARVEY E. YATES COMPANY FOR COMPULSORY :
POOLING, LEA COUNTY, NEW MEXICO :
_____ :

CASE NO. 10540

APPLICATION

COMES NOW HARVEY E. YATES COMPANY, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll), and in support of its Application hereof, respectfully states:

1. Applicant has the right to drill its Ekay 28 State #4, which is to be located in Section 28, Township 18 South, Range 34 East, N.M.P.M., Unit K, Lea County, New Mexico. Said well shall be located 1,980' from the South line and 1,980' from the West line of said Section 28. Applicant seeks to form a 320-acre spacing unit for the well, which will be drilled to a depth of 13,640' to adequately test the Morrow formation.

2. The applicant has dedicated the W/2 of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

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 oil in said unit, all mineral interests, whatever they may be, in the Morrow formation underlying the W/2 of said Section 28, should be pooled.

5. That any non-consenting working interest owner who 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.

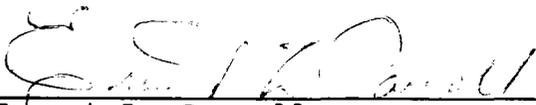
WHEREFORE, applicant prays that:

A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing the Division enter its order pooling all mineral interests, whatever they may be, in the Morrow formation underlying the W/2 of Section 28, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

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

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 
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Attorneys for Applicant, Harvey E. Yates Co.

PROPOSED ADVERTISEMENT

APPLICATION OF HARVEY E. YATES COMPANY for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 28, Township 18 South, Range 34 East, N.M.P.M. forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to its Ekay 28 State #4, to be drilled at an orthodox location within Unit K of said W/2 proration unit, 1,980' from the South line and 1,980' from the West line of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 12 miles southeast of Maljamar, New Mexico.