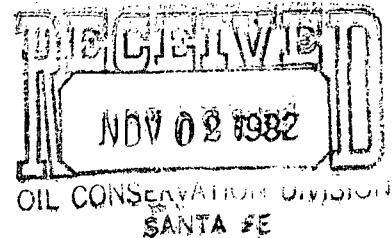


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ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505
746-3508

October 29, 1982



Mr. Joe D. Ramey, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 7726
11/10/82 Examiner Hearing
Yates Petroleum Corporation

Dear Mr. Ramey:

Enclosed for filing in the captioned case, please find an Affidavit of Mailing, reflecting the mailing of copies of the Application and the docket to Stevens Oil Company and Curtis Stevens.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

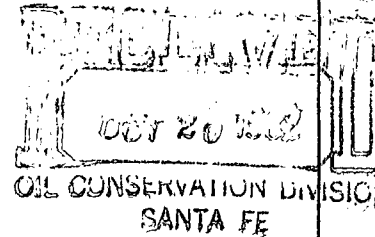

Chad Dickerson

CD:pvm
Enclosure

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, CHAVES COUNTY, : CASE NO. 7726
NEW MEXICO :
:

Jane O'Brien
Notary Public

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR :
COMPULSORY POOLING, CHAVES COUNTY, :
NEW MEXICO :

CASE NO. 7726

APPLICATION

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

1. Applicant has the right to drill its Shadden "TN" Com. No. 2 Well as a gas well, to a depth sufficient to test the Abo formation, which is to be located at a lawful location in SE/4 Section 9, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico.

2. The applicant intends to dedicate the SE/4 of said section to this well, and there are interest owners in the proration 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:

<u>NAME</u>	<u>ADDRESS</u>
Stevens Oil Company	P. O. Box 2203 Roswell, New Mexico 88201
Curtis Stevens	P. O. Box 2203 Roswell, New Mexico 88201

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, its just and fair share of the gas in said unit, all mineral interests, whatever they may be, from the surface to the base of the Abo formation, underlying the SE/4 of said Section 9, should be pooled.

5. 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.

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 surface to the base of the Abo formation, underlying the SE/4 of said Section 9, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, to form a 160-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

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant