LAW OFFICES

A. J. LOSEE JOEL M. CARSON CHAD DICKERSON DAVID R. VANDIVER ELIZABETH LOSEE LOSEE, CARSON & DICKERSON, P. A. 300 AMERICAN HOME BUILDING

P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

October 29, 1982

AREA CODE 505 746-3508

NOV 0 2 1982	

The Council Statistics (1933) -

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.

Jupenon Chad Dickerson

CD:pvm Enclosure

## 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

## AFFIDAVIT OF MAILING

STATE OF NEW MEXICO ) : ss. COUNTY OF EDDY )

The undersigned, being first duly sworn, upon oath, states that on the 29th day of October, 1982, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the following instruments:

- Application for Compulsory Pooling of mineral interests in the Shadden "TN" Com. No. 2 Well; located in SE/4 Section 9, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico; and
- Docket reflecting hearing on such Application at the Oil Conservation Division in Santa Fe, New Mexico, on the 10th day of November, 1982;

in securely sealed postage prepaid envelopes addressed to the following named parties:

NAME

Stevens Oil Company

Curtis Stevens

ADDRESS

P. O. Box 2203 Roswell, New Mexico 88201

P. O. Box 2203 Roswell, New Mexico 88201

<u>atti //</u> Menefee Patti

SUBSCRIBED AND SWORN TO before me this 29th day of

October, 1982.

ς.

My commission expires: 1 - 27 - 85

Roling ublic Notary

### BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

OF N	10 VV	MEATCO		pliel	IND F	2 U	10.4 Joy
OF	:			OIL C	UNSER Sai	VALI	
v	:	CASE	NO	$\overline{}$	76		

1. 1' el

s. W/ 4

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

#### 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:

NAME							
Stevens	Oil	Company					

# P. O. Box 2203 Roswell, New Mexico 88201

ADDRESS

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.

-2-

YATES PETROLEUM CORPORATION

Chad Dickerson

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

Attorneys for Applicant