

HOLLAND & HART LLP



Michael H. Feldewert

Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal Specialization

mfeldewert@hollandhart.com

34549-12043

November 25, 2003

RECEIVED

NOV 25 2003

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Oil Conservation Division

Case 13197

Re: Application of Yates Petroleum Corporation for an Order for
Compulsory Pooling and Approval of an Unorthodox Gas Well
Location, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the
above-referenced case as well as a copy of the legal advertisement. Yates Petroleum
Corporation requests that this matter be placed on the docket for the December 18,
2003, Examiner hearings.

Sincerely,

Michael H. Feldewert
Michael H. Feldewert

MHF:jlj

Enclosures

cc: Robert Bullock
Yates Petroleum Corporation

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Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

RECEIVED

**IN THE MATTER OF THE APPLICATION OF YATES
PETROLEUM CORPORATION FOR COMPULSORY
POOLING AND APPROVAL OF AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.**

NOV 25 2003

Oil Conservation Division

CASE NO. 13197

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. 70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the base of the Mississippian in the following described spacing and proration units located in Section 12, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico:

- The W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the North Eidson Morrow Pool;
- The SW/4 for all formations and/or pools developed on 160-acre spacing;
- The N/2 SW/4 for all formations and/or pools developed on 80-acre spacing; and
- The NE/4 SW/4 (Unit K) for all formations and/or pools developed on 40-acre spacing.

In support of this application, Yates states:

1. Yates Petroleum Corporation is a working interest owner in the W/2 of said Section 12 and has the right to drill thereon.
2. Yates proposes to dedicate the above-referenced spacing or proration units to its proposed Reed AXV Com. Well No. 1 to be drilled at an unorthodox gas well location 1870 feet

from the South line and 2080 feet from the West line (Unit K) of said Section 12, to an approximate depth of 13,400 feet.

3. Yates has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units who are identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Yates to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Yates Petroleum Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 18, 2003 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Yates Petroleum Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Yates Petroleum Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures,
- E. imposing a 200% penalty for the risk assumed by Yates Petroleum Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well, and

F. approving the unorthodox gas well location.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

P.O. Box 2208

Santa Fe, NM 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

EXHIBIT A
APPLICATION OF
YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING
TOWNSHIP 15 SOUTH, RANGE 34 EAST
SECTION 12: W2
LEA COUNTY, NEW MEXICO.
Reed AXV Com #1 Well

Parties Notified for Purposes of Pooling:

Wagner & Brown, Ltd.
P.O. Box 1714
Midland, TX 79702

Glenda Miller
1227 South 131 East Ave.
Tulsa, OK 74108

Cassius Carter
1320 W.Elliot Rd., #103-197
Tempe, AZ 85284

John T. Barnard
528 W. 111th St., #36
New York, NY 10025

William R. Barnard
P.O. Box 270
Wichita Falls, TX 76307

Pennie Woodruff
337 Bransom
Roanoke, TX 76262

Anderson Carter, II
Anderson Carter Trust
P.O. Box 7190
Ruidoso, NM 88355

Betty Petty Nelson
2119 Forest Oaks
Houston, TX 77017

Dale Dickson
10304 Longleaf Place
Las Vegas, NV 89134

Stuart Carter
HCR3, Box 1515A
Willcox, AZ 85643-9739

Kenneth Ray Vaught, Jr.
Karey R. Vaught
18703 Palm Beach Blvd.
Montgomery, TX 77356

Doyle Dickson
Rt. 2, Box 127
Miles, TX 76861

Rodney Carter
5977 Willowcross Way
Plano, TX 75093

Edward A. Elkan, III
6808 Los Prados Rd, NW
Albuquerque, NM 87114

Richard Dickson
408 Star Street
Hereford, TX 79045

Charles & Beverly Overton
P.O. Box 32
Yeso, NM 88126

Jason Elkan
6599 E. Thomas, Apt. 2031
Scottsdale, AZ 85252

Leonard D. & Jerry B. Witcher
Heirs of Maxine Witcher, dec.
1560 Santa Monica Ave.
San Jose, CA 95118-1073

Powhatan Carter, III
Box 516
Ft. Sumner, NM 88119

Marsha Ann Beverly
2204 Briar Oak
Bryan, TX 77802

Robert E. & Marila L. Harmon
Trustees, Harmon Trust
7022 Davis St.
Alexandria, VA 22306

Milton W. & Pat Deason
1600 E. 19th St., Suite 101
Edmond, OK 73034

Maralee J. Lowe
26330 Naumann Avenue
Homeland, CA 92548

Elizabeth B. Lauer, Trustee
Wells Fargo Bank, NA
Alston Elkan Trust
Clara Irene Elkan Trust
Adriana Isabel Elkan Trust
P.O. Box 5383
Denver, CO 80217-5383

Shannon Barnard Klatt
P.O. Box 215
West Yellowstone, MT 59716

Charles M. Barnard
807 8th Street, Suite 707
Wichita Falls, TX 76301

Shannon Palmquist
12116 Wander Lane
Austin, TX 78750

Jones Robinson, Ltd.
P.O. Box 2645
Roswell, NM 88202

Parties Notified for Purposes of Unorthodox Well Location:

Chevron USA, Inc.
c/o Chevron Texaco
15 Smith Road
Midland, TX 79705

Union Oil Company of Calif.
P.O. Box 3100
Midland, TX 79702