

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

**RECEIVED**

SEP 12 1995

CASE NO. 11370

*Oil Conservation Division*  
**AMENDED APPLICATION**

YATES PETROLEUM CORPORATION, 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 from the surface to the base of the Morrow formation in the N/2 of Section 36, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, in the following manner: the N/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Cedar Lake-Morrow Gas Pool; the NW/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the E/2 NW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 NW/4 forming a standard 40-acre spacing and proration unit for any and all formations

and/or pools developed on 40-acre spacing within said vertical extent, and in support thereof states:

1. Applicant is a working interest owner in the N/2 of Section 36 and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Cedro "APG" State Com Well No. 1 which is located at a standard location in the N/2 of said Section 36 at a point 660 feet from the North line and 2230 feet from the West line. Applicant proposes to test any and all formations from the surface to the base of the Morrow formation, Cedar Lake-Morrow Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the N/2 of said Section 36.

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

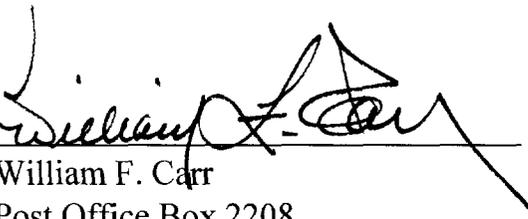
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this amended application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 1995 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well,

its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

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