

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,
LEA COUNTY, NEW MEXICO.

RECEIVED

OCT 23 1995

Oil Conservation Division

CASE NO. 11426

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 from the surface to the base of the Pennsylvanian formation, Lazy J-Pennsylvanian Pool, in the SE/4 NW/4 of Section 1, Township 14 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the SE/4 NW/4 of Section 1, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to an existing well which it proposes to re-enter located at a standard location in the SE/4 NW/4 of said Section 1, at a point 1980 feet from the North and West lines. Applicant proposes to test any and all formations from the surface to the base of the Bough formation, Lazy J-Pennsylvanian Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SE/4 NW/4 of said Section 1.

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

4. 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.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on November 16, 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,

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