

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 AND A NON-
STANDARD SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

CASE NO. 11739

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 80-acre spacing in a nonstandard spacing and proration unit comprised of Lots 8 and 9 of Section 2, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Yates owns or represents 50% of the working interest in the nonstandard spacing unit comprised of Lots 8 and 9 of said Section 2 (100% of the working interest in Lot 9) and Yates has the right to drill thereon.

2. Yates proposes to dedicate the above-referenced nonstandard spacing or proration unit to a well to be drilled at a standard well location in said Section 2 to a depth sufficient to test all formations from the surface to the base of the Strawn formation, Undesignated West Lovington-Strawn Pool.

3. Yates has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in Lot 9 of said Section 2.

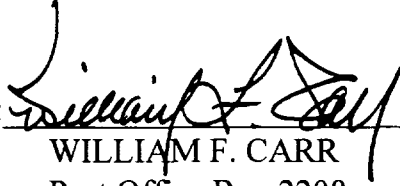
4. Said pooling of interests will prevent waste and will protect correlative rights.

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 should be designated the operator of the well to be drilled at the proposed unorthodox well location.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an examiner of the Oil Conservation Division on March 6, 1997 and, after notice and hearing as required by law, the Division enter its order pooling approving the nonstandard spacing and proration unit, pooling the lands, including provisions for Yates to recover its costs of supervision of the well, including overhead charges, imposing a risk factor for the risk assumed by the Yates in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

BEFORE THE

FFR 5

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 AND A NON-
STANDARD SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

CASE NO. 11739

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 80-acre spacing in a nonstandard spacing and proration unit comprised of Lots 8 and 9 of Section 2, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Yates owns or represents 50% of the working interest in the nonstandard spacing unit comprised of Lots 8 and 9 of said Section 2 (100% of the working interest in Lot 9) and Yates has the right to drill thereon.

2. Yates proposes to dedicate the above-referenced nonstandard spacing or proration unit to a well to be drilled at a standard well location in said Section 2 to a depth sufficient to test all formations from the surface to the base of the Strawn formation, Undesignated West Lovington-Strawn Pool.

3. Yates has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in Lot 9 of said Section 2.

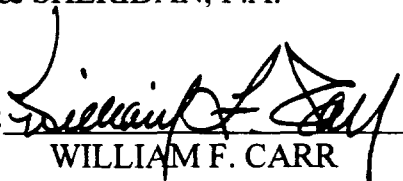
4. Said pooling of interests will prevent waste and will protect correlative rights.

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 should be designated the operator of the well to be drilled at the proposed unorthodox well location.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an examiner of the Oil Conservation Division on March 6, 1997 and, after notice and hearing as required by law, the Division enter its order pooling approving the nonstandard spacing and proration unit, pooling the lands, including provisions for Yates to recover its costs of supervision of the well, including overhead charges, imposing a risk factor for the risk assumed by the Yates in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE 11739

Application of Yates Petroleum Corporation for compulsory pooling and a nonstandard spacing and proration unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 80-acre spacing underlying a nonstandard spacing and proration unit consisting of Lots 8 and 9 from the surface to the base of the Strawn formation, Undesignated West Lovington-Strawn Pool, in Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit is to be dedicated to a well to be drilled at a standard location in said Lot 9. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 ½ miles west of Lovington, New Mexico.