

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.

CASE NO. 11860

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 320-acre spacing in the W/2 of Section 18, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

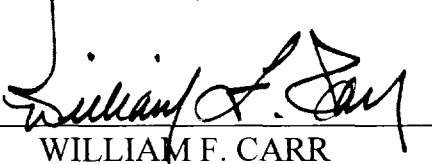
1. Yates is a working interest owner in the W/2 of said Section 18, and has the right to drill thereon.
2. Yates proposes to dedicate the above-referenced spacing or proration units to its Buffalo ARU St. Com #1 Well to be drilled at a standard well location 1980 feet from the South line and 1945 feet from the West line of said Section 18 to a depth sufficient to test all formations from the surface to the base of the Morrow formation.
3. Yates has sought and been unable to obtain either voluntary agreement for pooling or farmout from Apache Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4403.

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 October 9, 1997 and, after notice and hearing as required by law, the Division enter its order 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.

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