

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
TANYA M. TRUJILLO

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

August 15, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

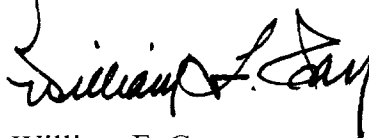
12486

***Re: Application of Harvey E. Yates Company, for compulsory pooling, Eddy
County, New Mexico***

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Harvey E. Yates Company in the above-referenced case as well as a copy of the legal advertisement. Harvey E. Yates Company requests that this matter be placed on the docket for the September 7, 2000 Examiner hearings.

Very truly yours,



William F. Carr

WFC/md

Enclosures

cc: Mr. Vernon Dyer (w/enclosures)
Harvey E. Yates Company

CLERK OF COURT
AUG 15 PM 2:03

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

**IN THE MATTER OF THE APPLICATION
OF HARVEY E. YATES COMPANY,
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.
03 AUG 15 PM 2:05
CASE NO. 12484

APPLICATION

HARVEY E. YATES COMPANY, ("HEYCO"), 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 developed on 320-acre spacing in the W/2, in all formations developed on 160-acre spacing in the SW/4, in all formations developed on 80-acre spacing under the S/2 SW/4, and in all formations developed on 40-acre spacing under the SE/4 SW/4 of Section 8, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. HEYCO is a working interest owner in the W/2 of said Section 8 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Poco Loco 8 Federal Com Well No. 1 to be drilled as a wildcat Morrow formation well at a standard location 860 feet from the South line and 1980 feet from the West line of said Section 8, to an approximate depth of 11,200 feet to test any and all formations from the surface to the base of the Morrow formation.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units 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 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 Harvey E. Yates Company should be designated the operator of the well to be drilled.

WHEREFORE, Harvey E. Yates Company, requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2000, and, after notice and hearing as required by law, the Division enter its order:

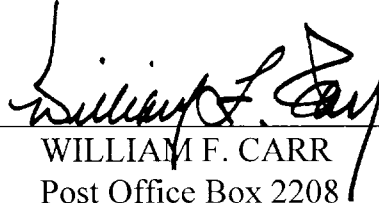
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Harvey E. Yates Company operator of these units and the well to be drilled thereon,
- C. authorizing Harvey E. Yates Company to recover its costs of drilling, equipping and completing the well,
- D. approving 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, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not

voluntarily participate in the drilling of the well.

Respectfully submitted,

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

By:

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR HARVEY E. YATES COMPANY

EXHIBIT A

**APPLICATION OF
HARVEY E. YATES COMPANY
FOR COMPULSORY POOLING
W/2 OF SECTION 8, TOWNSHIP 18 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

RSE Partners, L.L.P.
c/o Ricks Exploration, Inc.
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, OK 73102

Mr. Roland McLean
10912 N.W. 5th Court
Plantation, FL 33324-1533

Marathon Oil Company
Attn: Mgr of Joint Operations
P.O. Box 552
Midland, TX 79702-0552

Jalapeno Corporation
P.O. Box 1608
Albuquerque, NM 87103

Clayton Williams Energy, Inc.
6 Desta Drive, Suite 1100
Midland, TX 79705-5510

Bright & Company
2911 Turtle Creek Blvd., Suite 700
Dallas, TX 75219-6241

Mr. and Mrs. Paul Slayton
P.O. Box 2035
Roswell, NM 88202

Mr. Ralph Randel
1902 Palomino Drive
Rowlett, TX 75088

Estate of Charles C. Harlan, Jr.
c/o Scott Venezia
P.O. Box 432976
San Ysidro, CA 92143-2976

CASE 12480:

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2, in all formations developed on 160-acre spacing in the SW/4, in all formations developed on 80-acre spacing in the S/2 SW/4, and in all formations developed on 40-acre spacing in the SE/4 SW/4 of Section 8 Township 18 South, Range 29 East. Said unit is to be dedicated to its Poco Loco 8 Federal Com Well No. 1 to be drilled at a standard location 860 feet from the South line and 1980 feet from the West line of said Section 8 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Harvey E. Yates Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles southwest of Loco Hills, New Mexico.