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July 27, 1992

## VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 10528*

- e: Application of Yates Petroleum Corporation  
for Compulsory Pooling, Eddy County, New  
Mexico, Ross "EG" Fed. Com #11

Application of Yates Petroleum Corporation  
for Compulsory Pooling, Case No. 10520, Ross  
"EG" Fed. Com #10

Mr. LeMay:

I enclosed please find for filing an original and two copies  
of Yates Petroleum Corporation's Application as referenced  
in Ross "EG" Fed. Com #11 Well.

I would ask that this case be set for hearing August 20  
and we be provided with a copy of the docket. The  
enclosed instance.

At this time I would ask that Yates' Application for forced  
pooling, Case No. 10520, for its Ross "EG" Fed. #10, be with-  
drawn, and that the hearing therefore be vacated. Yates wishes  
to dismiss Case No. 10520.

Very truly yours,

LOSEE, CARSON, HAAS &amp; CARROLL, P.A.

*[Signature]*  
L. Carroll

ELC:kth  
Enclosures

xc w/enc: Ka+ er

ILLEGIBLE

**BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO**

RECEIVED  
JUL 28 1992  
OIL CONSERVATION DIVISION

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

**CASE NO.** 10523

**APPLICATION**

COMES NOW **YATES PETROLEUM CORPORATION**, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant has the right to drill its Ross "EG" Federal Com #11 Well in the Canyon Formation as an oil well, which is to be located at a point 1980 feet from the south line and 1,980 feet from the east line of Section 20, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the southeast quarter of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

3. Applicant should be designated the operator of the well and the proration unit.

4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit, the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in said unit, all mineral interests, whatever they may be, from the surface to the base of the Canyon Formation underlying the SE/4 of said Section 20 should be pooled.

5. That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld

from production his share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

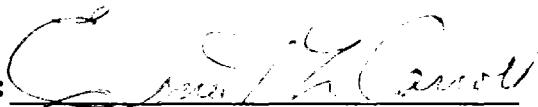
WHEREFORE, applicant prays that:

A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing the Division enter its order pooling all mineral interest, whatever they may be, from the surface to the base of the the Canyon Formation of said SE/4 of Section 20, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, to form a 160-acre spacing unit dedicated to applicant's Ross "EG" Federal Com #11 Well.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By:   
Ernest L. Carroll

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Attorneys for Applicant