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November 9, 1992

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

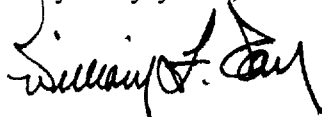
RECEIVED  
NOV 10 1992  
OIL CONSERVATION DIVISION  
10607

Re: In the Matter of the Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the December 3, 1992 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Mr. Mike Burch

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,  
CHAVES COUNTY, NEW MEXICO.

RECEIVED

OIL CONSERVATION DIVISION

CASE NO. 16607

APPLICATION

Yates Petroleum Corporation, 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 of the mineral interests from the surface to the base of the Abo formation in all formations subject to 160-acre spacing in the NE/4 of Section 17, Township 10 South, Range 22 East, N.M.P.M., Chaves County, New Mexico, and in support thereof~~ states:

1. Applicant owns or represents approximately 95.5% of the working interest in the NE/4 of Section 17, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of Section 17, to a depth of approximately 4,300 feet to test the Abo formation, South Pecos Slope-Abo Gas Pool.
3. Applicant has obtained either voluntary agreement for pooling or farmout from all other interest owners in the NE/4 of said Section 17, except for the following individuals attached hereto as Exhibit A.

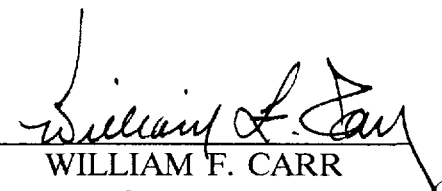
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all interests in Section 17 should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 1992 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,

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

## EXHIBIT A

Norman Smith  
Post Office Box 2544  
Ruidoso, New Mexico 88345

.75% WI

RDR Ltd., a partnership  
c/o Lewis Rowland  
1360 Via del Petrojo  
Green Valley, Arizona 85614

3.75% WI