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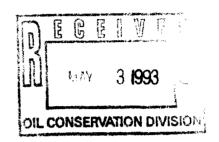
TELEPHONE: (505) 988-4421

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May 3, 1993

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



Re: Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy

County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of a legal advertisement. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the June 3, 1993 Examiner hearings.

Very truly yours,

WILLIAM P CARR

WFC:mlh Enclosures

cc w/enc.:

Ms Janet Richardson

Yates Petroleum Corporation

105 South Fourth Street Artesia, New Mexico 88210

CACE	
CASE	

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NW/4 of Section 21, Township 19 South, Range 25 East. Said unit is to be dedicated to the Hooper 'AMP' Well No. 2 to be drilled at a standard location 1980 feet from the North line and 660 feet from the West line of said Section 21. 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 ____ miles _____ of _____, New Mexico.

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION 1993
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO. OIL CONSERVATION DIVISION

APPLICATION

- 1. Applicant owns or represents over 96% of the working interest in the NW/4 of Section 21, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Hooper 'AMP' Well No. 2 to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the West line of Section 21, to a depth of approximately 8300 feet, more or less, to test any and all formations from the surface to the base of the Canyon formation.
- 3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the NW/4 of said Section 21.
- 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 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 June 3, 1993 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.

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Santa Fe, New Mexico 87504

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ATTORNEYS FOR YATES PETROLEUM CORPORATION

APPLICATION, PAGE 2

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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ATTORNEYS FOR YATES PETROLEUM CORPORATION

APPLICATION, PAGE 2

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, BDDY COUNTY, NEW MEXICO.

APPLICATION DIVISION DIVISIONI DIVISIONI DIVISIONI DIVISIONI DIVISIONI DIVISIONI DIVISIONI DIVISIONI DIVISIONI DI PROPIRI DI PROPIRI

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Respectfully submitted,

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

Bv: `

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ATTORNEYS FOR YATES
PETROLEUM CORPORATION

APPLICATION, PAGE 2

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, EDDY COUNTY, NEW MEXICO.	3 1993 CASE NO	
APPLICATION DIVISION		

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APPLICATION, PAGE 2