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May 11, 1994

HAND-DELIVERED

MAY 11 1994

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

10791

Re: 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 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 9, 1994 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Mr. Robert Bullock (w/enclosures)
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

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.

MAY 11 1994

CASE NO. 10991

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 mineral interests in the SE/4 of Section 20, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, and in support thereof states:

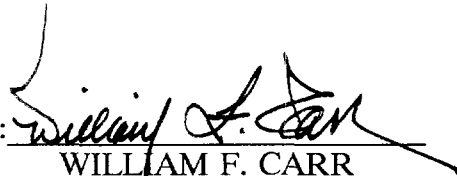
1. Applicant is a working interest owner in the SE/4 of Section 20, and Applicant has the right to drill thereon.
2. Applicant proposes to drill its Hancock AHC Com No. 3 Well at an orthodox location 660 feet from the South line and 1980 feet from the East line of Section 20, and drill to a depth of approximately 4400 feet, more or less, to test any and all formations from the surface to the base of the Abo formation, Pecos Slope-Abo Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SE/4 of said Section 20.
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 9, 1994 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Yates Petroleum Corporation operator of the SE/4 of said Section 20, and authorizing 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

CASE _____: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 of Section 20, Township 6 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its Hancock AHC Com No. 3 Well to be drilled at a standard location 660 feet from the South line and 1980 feet from the East line in the SE/4 of said Section 20 to test any and all formations to the base of the Abo formation, Pecos Slope-Abo Gas Pool. 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.

10991

MAY 11 1991