

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

February 20, 1989

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: No. 2 Yates State Well
Application of W.A. Moncrief, Jr.
For Compulsory Pooling
Lea County, New Mexico

RECEIVED
FEB 21 1989
OIL CONSERVATION DIVISION

Case 9624

Dear Mr. LeMay:

Please find enclosed our application on behalf of W.A. Moncrief, Jr. for a compulsory pooling order. We request that this application be set on the examiner's docket now scheduled for March 15, 1989.

We suggest the following for an advertisement for the newspaper and for the docket:

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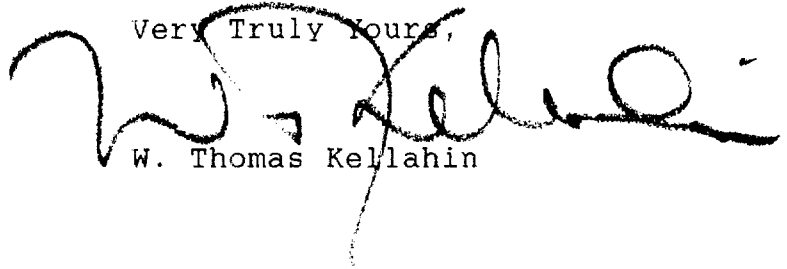
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Very Truly Yours,

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W. Thomas Kellahin

WTK/rs
Encl.

cc: Mr. W.A. Moncrief, Jr.
400 Metro Building
Midland, Texas 79701

"Certified-Return Receipt Requested"

All parties listed in Exhibit "B".

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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FEB 1

OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF
W.A. MONCRIEF, JR.
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

CASE: 9624

A P P L I C A T I O N

COMES NOW W.A. MONCRIEF, JR., by and through his attorneys, Kellahin, Kellahin & Aubrey, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest from the surface to the base of the Strawn formation underlying the E/2 NE/4 of Section 30, T16S, R37E, Lea County, New Mexico, forming a standard 80-acre spacing and proration unit for a well to be drilled at a standard oil location in the Northeast Lovington Penn Pool.

1. Applicant, owns a leasehold interest in the E/2 NE/4, Section 30, T16S, R37E, Lea County, New Mexico, as shown in Exhibit A.

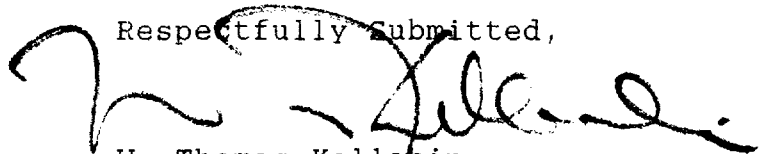
2. Applicant has sought either voluntary agreement for pooling or farmout from the mineral or working interest owners in the applicable spacing and proration unit but has been unable to obtain a voluntary agreement from the parties listed in Exhibit "B".

3. Pursuant to Division notice requirements, applicant has notified by certified mail the parties listed in Exhibit "B", attached hereto, of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on March 15, 1989.

4. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well at a standard location, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully Submitted,



W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

[illegible]

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

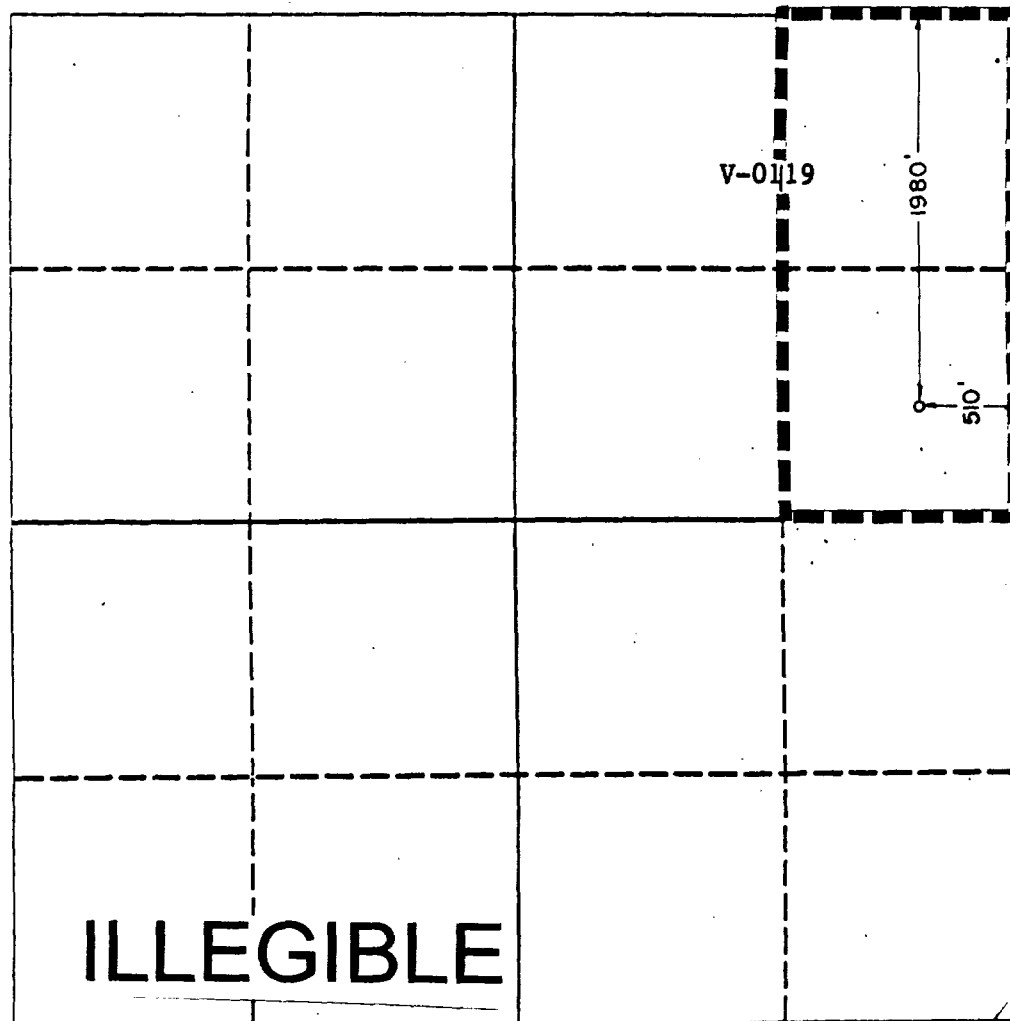
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator W. A. Moncrief, Jr.			Lease Yates State		Well No. 2
Unit Letter H	Section 30	Township 16 South	Range 37 East	County Lea	
Actual Footage Location of Well: 1980 feet from the north line and 510 feet from the east line					
Ground level Elev. 3817.0	Producing Formation Strawn		Pool Lovington Penn. NE	Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
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If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Dewey E. Thornton
Printed Name
Dewey E. Thornton
Position
Exploration Manager
Company
W. A. Moncrief, Jr.
Date
2-8-89

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 25, 1989
Signature & Seal of Professional Surveyor
John W. West
Certificate No. 1111
JOHN W. WEST
REGISTERED PROFESSIONAL ENGINEER
AND LAND SURVEYOR
NO. 1111
NEW MEXICO
1976

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Exhibit "B"

Cibola Energy Corporation
Post Office Box 1668
Albuquerque, New Mexico 87103 3.8176%
Attn: Mr. Harvey E. Yates, Jr.

Yates Energy Corporation
Suite 1010, Sunwest Center
Roswell, New Mexico 88201 8.625675%
Attn: Mr. Ken Hamonds

Mrs. Shirley Ann Conaway
Post Office Box 962
Ozona, Texas 76943 0.5%

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

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Santa Fe, New Mexico 87504-2265

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Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

FEB 9

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Re: No. 2 Yates State Well
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For Compulsory Pooling
Lea County, New Mexico

Case 9624

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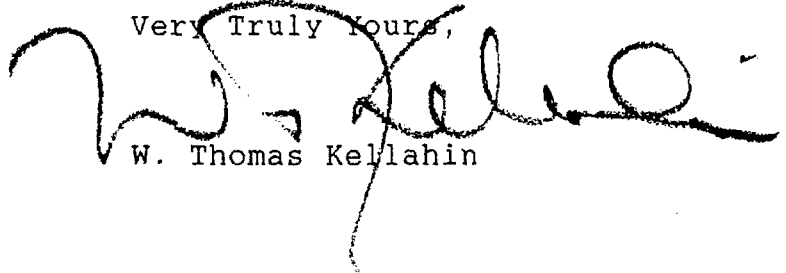
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W. Thomas Kellahin

WTK/rs
Encl.

cc: Mr. W.A. Moncrief, Jr.
400 Metro Building
Midland, Texas 79701

"Certified-Return Receipt Requested"

All parties listed in Exhibit "B".

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF
W.A. MONCRIEF, JR.
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

CASE: 9624

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1. Applicant, owns a leasehold interest in the E/2 NE/4, Section 30, T16S, R37E, Lea County, New Mexico, as shown in Exhibit A.

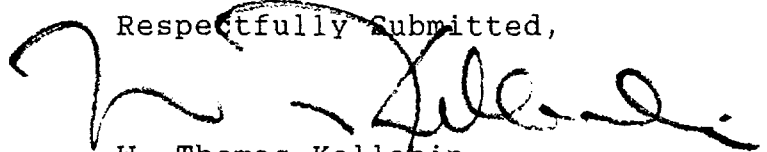
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Kellahin, Kellahin & Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

[illegible]

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
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DISTRICT III
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

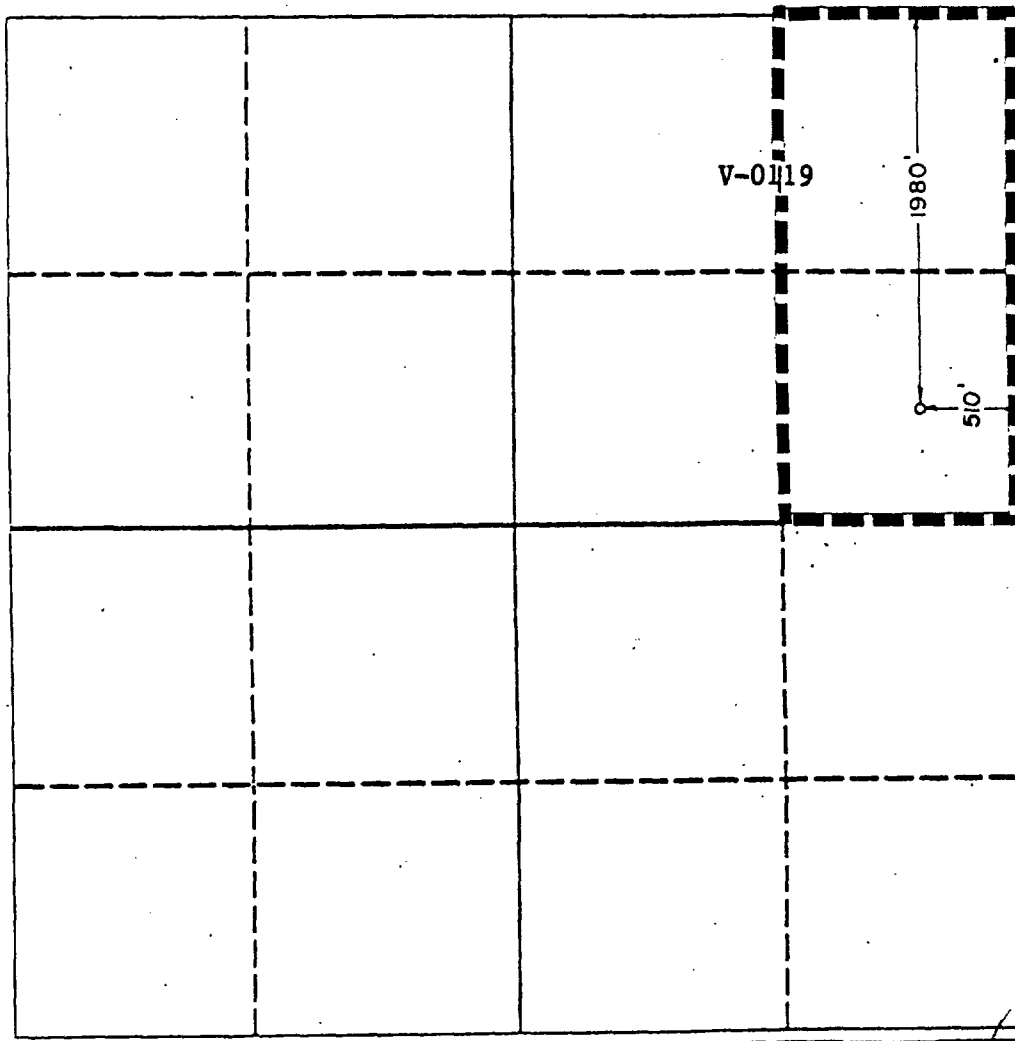
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Printed Name
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REGISTERED PROFESSIONAL ENGINEER
AND LAND SURVEYOR
NO. 1
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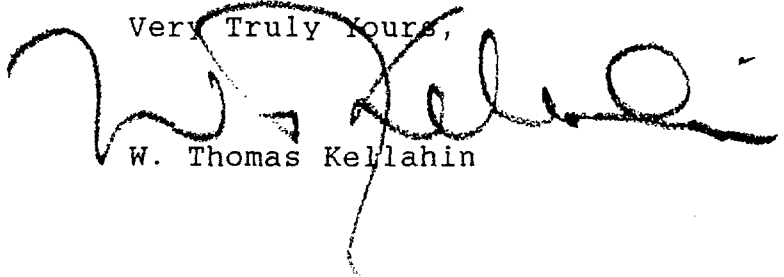
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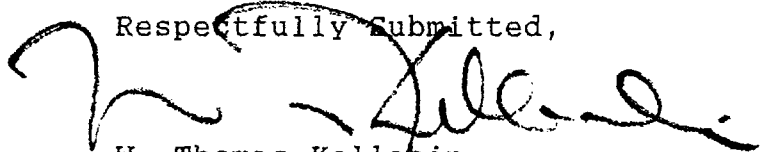
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State of New Mexico
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Revised 1-1-89

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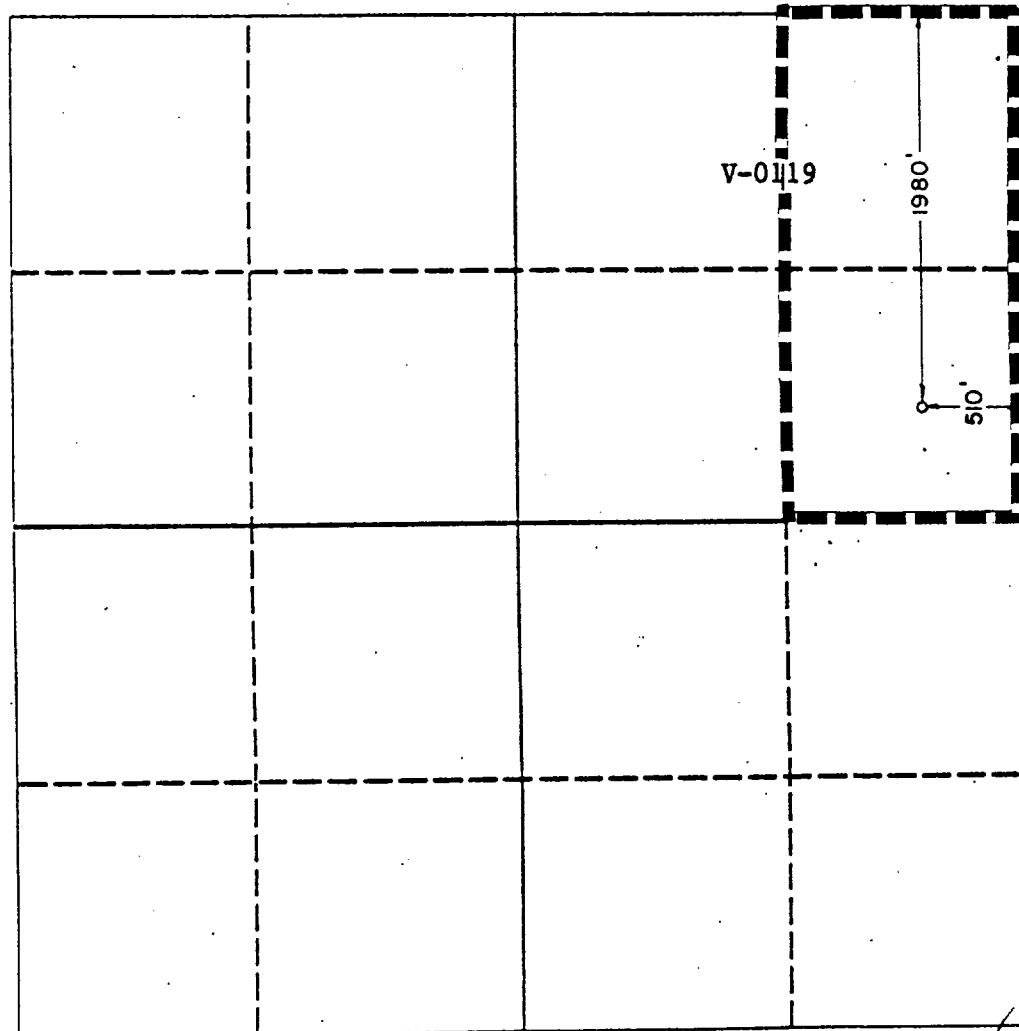
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Printed Name

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Signature of Professional Surveyor

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REGISTERED PROFESSIONAL ENGINEER
AND LAND SURVEYOR
NO. 1111
876
Certificate No. 1111
JOHN W. WEST

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