#### BEFORE THE OIL CONSERVATION DIVISION

#### OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION	)
OF YATES ENERGY CORPORATION FOR	) CASE NO.
COMPULSORY POOLING, EDDY COUNTY,	)
NEW MEXICO	)
	)

### APPLICATION

COMES NOW, YATES ENERGY CORPORATION, by and through its attorneys, Padilla & Snyder, Attorneys At Law and in support hereof, respectfully states:

- 1. Applicant has the right to drill its Prickly Pear Federal #1 Well to test the San Andres Formation as an oil well, which is to be located at a standard location in the NE/4NW/4 Section 12, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.
- 2. The applicant has dedicated the NE/4NW/4 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 San Andres Formation underlying the NE/4NW/4 of said Section 12 should be pooled.

- 5. That any non-consenting working interest owner that 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 San Andres Formation underlying the NE/4 NW/4 of said Section 12 Township 18 South, Range 31 East,

N.M.P.M., Eddy County, New Mexico, to form a 40 acre spacing unit dedicated to applicant's well.

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

YATES ENERGY CORPORATION

Fract I Padil

PADILLA & SNYDER P. O. Box 2523

Santa Fe, New Mexico 87504-2523

Attorneys for Applicant

PADILLA & SNYDER

ATTORNEYS AT LAW 200 W. MARCY, SUITE 216 P.O. BOX 2523

ERNEST LIPADILLA MARY JOISNIYDER SANTA FE, NEW MEXICO 87504-2523

FAX 988-7592 AREA CODE 505

(505) 988-7577

June 4, 1990

## CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL NON-CONSENTING WORKING INTEREST OWNERS (See attached list)

RE: Notice of Application For Compulsory Pooling, Prickly Pear Federal #1 Well, Eddy County, New Mexico

PURSUANT to the Rules and Regulations of the General Rules of the Oil Conservation Division of New Mexico, notice is hereby given of the above-referenced application. You may protest the enclosed application by appearing at the hearing of this application which will be heard on June 27, 1990, beginning at the hour of 8:15 a.m., at the offices of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico.

7 11/20

Ernest Padilla

ELP:pmc

Enclosure: Copy of Application

List of Non-Consenting Wor and Interest Owners

347.2

### PARTIES FOR NOTICE PURPOSES:

Yates Energy Corporation P. O. Box 2323 Roswell, New Mexico 88202

Harvey E. Yates Company Explorers Petroleum Corporation Spiral, Inc. Post Office Box 1933 Roswell, New Mexico 88202

Chevron U.S.A., Inc. Post Office Box 1150 Midland, Texas 79702

W. T. Wynn 1603 West Dengar Midland, Texas 79705

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items			
3 and 4.  Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this			
card from being returned to you. The return receipt fee will pr	Ovide you the name of the person delivered		
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(Extra charge)	(Extra charge)		
3. A:ticle Addressed to:	4. Article Number 438 03/65/		
Spiral, Inc.	Type of Service:		
.P. O. Box 1933 Roswell, NM 88202	Registered Insured Certified COD		
ADSWEII, NY 00202	Express Mail Return Receipt for Merchandise		
_	Always obtain signature of addressee		
( )	or agent and DATE DELIVERED.		
5 Signature - Address	8. Addressee's Address (ONLY if requested and fee paid)		
6. Signature - Agent			
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7. Date of Delivery			
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Chevron U.S.A. Inc.	Type of Service:
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Midland, TX 79702 JUN 11 1990	Certified COD
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	or agent and DATE DELIVERED.
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## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9978

#### APPLICATION OF

Yates Energy Corporation

RECEIVED

JUN 2 2 1990

OIL CONSERVATION DIVISION

## PRE-HEARING STATEMENT

This prehearing statement is submitted by <u>Ernest L. Padilla, Esq.</u> as required by the Oil Conservation Division.

#### APPEARANCES OF PARTIES

APPLICANT	ATTORNEY	
Yates Energy Corporation	Ernest L. Padilla	
Post Office Box 2323	Post Office Box 2523	
Roswell, New Mexico 88202	Santa Fe, New Mexico 87504	
(505) 623-4935	(505) 988-7577	
name, address, phone and contact person		
OPPOSITION OR OTHER PARTY	ATTORNEY	
name, address, phone and contact person		

#### STATEMENT OF CASE

## APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Application for Compulsory Pooling, Prickly Pear Federal #1, Eddy County, New Mexico. This application seeks to pool approximately ten percent (10%) of the working interests who have not consented to drilling the proposed well.

## OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

None known at this time.

## PROPOSED EVIDENCE

## **APPLICANT**

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Sharon R. Hamilton (Landman)	10 minutes	3 or 4
Bill Baker (Geologist)	20 minutes	3 or 4

## **OPPOSITION**

WITNESSES	EST. TIME	EXHIBITS
(Name and expertise)		

None known at this time.

## PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

Signature

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(Please identify any procedural matters which need to be resolved prior to the hearing)

Signature

PADILLA & SNYDER

ATTORNEYS AT LAW
200 W. MARCY, SUITE 216
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523

ERNEST L PADILLA MARY JO SNYDER

<del>\_\_\_</del>

FAX 988-7592 AREA CODE 505

(505) 988-7577

June 4, 1990

RECERVED

JUN 04 1990

HAND DELIVERED

OIL CONSERVATION DIV. SANTA FE

Mr. William J. LeMay, Director New Mexico Oil Conservation Division State Land Office Building 310 Old Santa Fe Trail Santa Fe, New Mexico 87501 9918

Re: Compulsory Pooling Application

Prickly Pear Federal #1

Section 12, Township 18 South, Range 31 East,

N.M.P.M., Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed please find, in triplicate, Yates Energy Corporation's Application for Compulsory Pooling for its Prickly Pear Federal #1.

Very truly yours,

Ernest\ L. Padilla

ELP: pmc

cc w/encl: Yates Energy Corporation

347.2



JUN 04 1013

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#### OF THE STATE OF NEW MEXICO

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- 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 San Andres Formation underlying the NE/4NW/4 of said Section 12 should be pooled.

- 5. That any non-consenting working interest owner that 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 San Andres Formation underlying the NE/4 NW/4 of said Section 12 Township 18 South, Range 31 East,

N.M.P.M., Eddy County, New Mexico, to form a 40 acre spacing unit dedicated to applicant's well.

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

YATES ENERGY CORPORATION

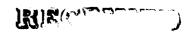
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Ernest L. Padilla

PADILLA & SNYDER P. O. Box 2523

Santa Fe, New Mexico 87504-2523

Attorneys for Applicant



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#### BEFORE THE OIL CONSERVATION DIVISION

#### OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES ENERGY CORPORATION FOR	)	CASE NO.	9978
COMPULSORY POOLING, EDDY COUNTY,	)		
NEW MEXICO	)		
	)		

#### <u>APPLICATION</u>

COMES NOW, YATES ENERGY CORPORATION, by and through its attorneys, Padilla & Snyder, Attorneys At Law and in support hereof, respectfully states:

- 1. Applicant has the right to drill its Prickly Pear Federal #1 Well to test the San Andres Formation as an oil well, which is to be located at a standard location in the NE/4NW/4 Section 12, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.
- 2. The applicant has dedicated the NE/4NW/4 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

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YATES ENERGY CORPORATION

Ernest L. Padilla

PADILLA & SNYDER P. O. Box 2523

Santa Fe, New Mexico 87504-2523

Attorneys for Applicant

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OIL CONSERVATION DIV. SANTA FE

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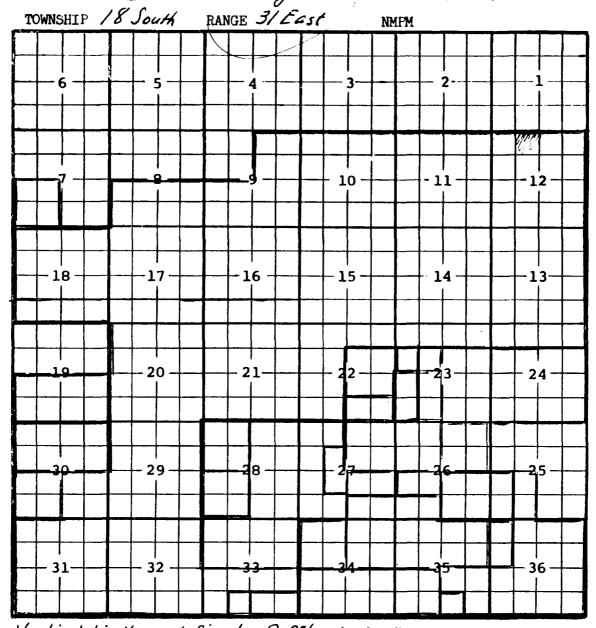
PADILLA & SNYDER P. O. Box 2523

Santa Fe, New Mexico 87504-2523

Attorneys for Applicant

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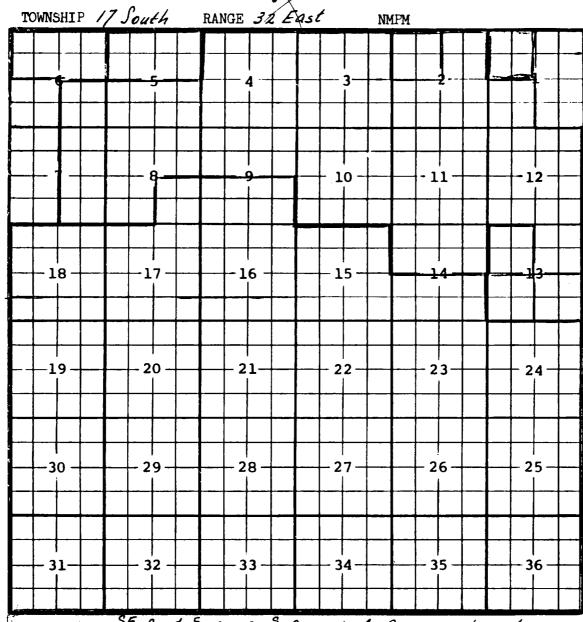
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