

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR COMPULSORY POOLING, ROOSEVELT :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 8402

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant has the right to drill its Morgan "AAF" Federal No. 1 Well as an oil well, to a depth sufficient to test all zones from the surface to the base of the Mississippian formation, which is to be located 660 feet from the north line and 660 feet from the east line of Section 15, Township 7 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico.

2. Applicant intends to dedicate the NE/4 of said Section 15 to this well, and there are interest owners in the proration unit who have not agreed to pool their interests. The parties who have not agreed to pool their interests, and their addresses are as follows:

Dr. James W. Fitzgerald	American Bank of Commerce
2466-A Lindenway	P. O. Box 9697
Palm Springs, California 92264	El Paso, Texas 79987

Co-Executors under the Will
of Mary C. Morgan, deceased

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 gas in said unit, all mineral interests, whatever they may be, from the surface through the base of the Mississippian formation, underlying the NE/4 Section 15, 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:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the

surface through the base of the Mississippian formation underlying the NE/4 Section 15, Township 7 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico, to form a 160-acre spacing unit dedicated to Applicant's well.

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

YATES PETROLEUM CORPORATION

By: 
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant