

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

OIL CONSERVATION DIV.
SANTA FE

JUL 10 1989

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

RECEIVED
CASE NO. 9780

OBJECTION

COMES NOW Clifford Cone, by and through his attorneys and objects to the Application filed by Yates Petroleum Corporation for Compulsory Pooling, and as grounds therefor respectfully states:

1. Objector is the owner of a mineral interest in the N/2 Section 2, Township 20 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and states that Yates Petroleum Corporation is not the Operator of such property.

2. Objector that Yates Petroleum Corporation drilled the Cacti "AGB" Well located in the S/2 Section 2, Township 20 South, Range 24 East, N.M.P.M., which well was completed on March 1, 1989, and Yates Petroleum Corporation drilled the State "CO" Number 3 Well in the NW/4 Section 36, Township 21 South, Range 24 East, N.M.P.M., which was completed on February 15, 1989. These wells were drilled on lands in which Objector also owned a mineral interest, which results in an average of four months for the drilling of the two wells and total depth being reached within fifteen (15) days of each other.

3. Furthermore, Objector states, upon information and belief, the Cacti "AGB" Well is still not on production yet and

the State "CO" Number 3 Well is being curtailed in production because of problems in transporting the gas.

4. Objector states that when the Cacti Well goes on production, it will be produced, upon information and belief at about 300 mcf per day, which will cause the payout on the well to be in excess of four years.

5. Economic loss will best be prevented by allowing the Cacti "AGB" Well and the State "CO" Number 3 Well to produce for at least a nine-month time period in order to determine whether or not it will be wise to drill another well to the Morrow Formation in this area.

6. The delay of nine months will not unduly prejudice any mineral interest owner in the captioned lands, and, upon information and belief, no leases will be lost as a result of such delay.

7. The delay in allowing the drilling will possibly avoid the drilling of unnecessary wells.

8. The delay in the drilling will allow the Division to protect correlative rights and afford the mineral interest owners the opportunity to make a wise decision without unnecessary expenses.

9. Objector denies all of the statements of the Application which are inconsistent herewith.

WHEREFORE, Objector prays:


A. That the Application be dismissed in its entirety;

B. That the Hearing on the Application be postponed for a period of nine months;

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

CLIFFORD CONE

By:


Damon Richards

SANDERS, BRUIN, COLL & WORLEY, P. A.
P. O. Box 550
Roswell, New Mexico 88202-0550
(505) 622-5440

ATTORNEYS FOR OBJECTOR

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