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January 22, 1991

HAND-DELIVERED

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

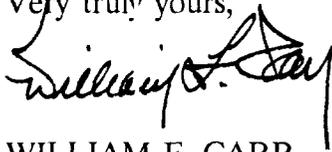
Case 10231

Re: In the Matter of the Application of Harvey E. Yates Company for
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Harvey E. Yates Company in the above-reference.d case. Harvey E. Yates Company respectfully requests that this matter be placed on the docket for the February 7, 1991 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Ms Shari Darr

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SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF HARVEY E. YATES COMPANY FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10231

APPLICATION

HARVEY E. YATES COMPANY by its undersigned attorneys, pursuant to N.M.S.A. § 70-2-17 (1978), hereby makes application for an order pooling all of the mineral interests from the surface to the base of the Delaware formation in all formations developed on 40-acre spacing in and under the SW/4 NW/4 of Section 12, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1 Applicant is a working interest owner in the SW/4 NW/4 of Section 12, and Applicant has the right to drill thereon.

2 Applicant proposes to dedicate the above-referenced pooled unit to its Tamano 12 Federal No. 1 Well to be located at a standard location on this spacing unit to be drilled to a depth of approximately 5500 feet to test the Delaware formation.

3 Applicant has sought and obtained either voluntary agreement for development of this spacing unit from all other interest owners in the SW/4 NW/4 of said Section 12, except for Yates Energy Company and Chevron U.S.A. Inc.

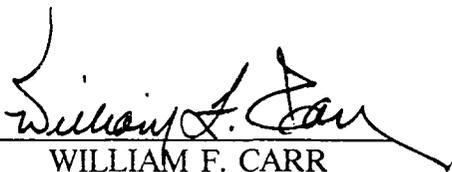
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the 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 a duly appointed Examiner of the Oil Conservation Division on February 7, 1991, and, that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for 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, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

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ATTORNEYS FOR HARVEY E.
YATES COMPANY