

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION
OF HARVEY E. YATES COMPANY FOR OIL CONSERVATION DIVISION
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 10315

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 in the SW/4 NW/4 of Section 32, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents more than 99% of the working interest in and under the SW/4 NW/4 of Section 32, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Atlantic 32 State Well No. 2 to be located at an orthodox location in the SW/4 NW/4 of said Section 32 to a depth sufficient to test the Queen formation.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SW/4 NW/4 of said Section 32, except for Edgar J. Braun, 907 Keeler Avenue, Berkeley, California 94708 who owns a .00126580 working interest in this spacing unit.

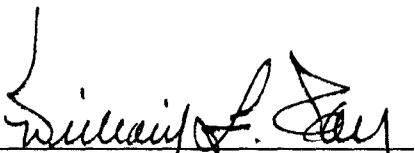
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 May 30, 1991, and, 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,

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