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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION JUL 2 1984

OIL CONSERVATION DIVISION

APPLICATION OF FRED G. YATES
FOR COMPULSORY POOLING IN ALL
FORMATIONS FROM THE SURFACE
THROUGH THE PENNSYLVANIAN
IN SECTION 18, TOWNSHIP 135 SOUTH,
RANGE 32 EAST, N.M.P.M., LEA
COUNTY, NEW MEXICO

Case No. 8277

APPLICATION

COMES NOW Fred G. Yates, Jr., by his attorneys, Hinkle, Cox, Eaton, Coffield & Hensley, and applies for an order pooling all mineral intersts in the SW1/4 of Section 18, Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico, for the purpose of forming a 160-acre proration and spacing unit for a well testing all formations from the surface through the Pennsylvanian in Lea County, New Mexico, and in support of its application states:

1. Applicant is a working interest owner of certain interests in the SW1/4 of Section 18, Township 13 South, Range 32 East, Lea County, New Mexico and intends to drill a well located at a standard location in the SW1/4 of SW1/4 of said Section 18 to test the "Baugh D" formation of the Baum Pennsylvanian Pool.

2. Applicant has in good faith sought to join all other mineral interest owners in the SW1/4 of Section 18 for the purposes set forth herein.

3. Although Applicant attempted to obtain voluntary agreements of all mineral interest owners in the drilling of

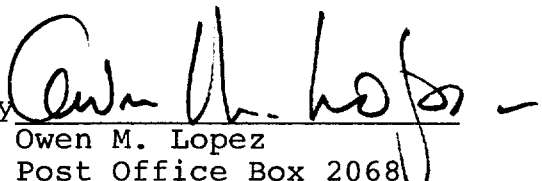
the well, there are still some mineral interest owners who have refused to join in dedicating their acreage, and applicant seeks an order from the Division pooling all mineral interests in all formations from the surface through the Pennsylvanian underlying the SW1/4 of Section 18, pursuant to section 70-2-17 N.M.S.A. 1978.

4. The Division's order to be entered pursuant to this Application should designate Applicant as operator of the proposed well and should provide a reasonable charge for the risk involved in drilling this well. Applicant requests that 200% of the nonconsent working owners' prorate share of the cost of drilling and completing this well be fixed as the charge for the risk involved in drilling the well.

5. Approval of this Application will prevent the drilling of unnecessary wells, protect correlative rights and prevent waste.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By 
Owen M. Lopez
Post Office Box 2068
Santa Fe, New Mexico 87501
(505) 982-4554

DATED: Aug 2, 1984