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October 4, 1984

Case 8390

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Tanque Rojo "AAT" State No. 1 Well
NE/4 NE/4 Sec. 11, T-19-S, R-23-E

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico.

We ask that this matter be set for hearing before an Examiner, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm
Enclosures

cc w/enclosure: Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO.

8390

APPLICATION

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

1. Applicant has the right to drill its Tanque Rojo "AAT" State No. 1 Well as a gas well, to a depth sufficient to test the Morrow formation, which is to be located 1,980 feet from the south line and 660 feet from the east line of Section 11, Township 19 South, Range 23 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant intends to dedicate the E/2 of said Section 11 to this well, and there are interest owners in the NE/4 NE/4 of said Section 11 who have not agreed to pool their interests.

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 Wolfcamp formation through the base of the Morrow formation underlying the NE/4 NE/4 Section 11, 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 Wolfcamp formation through the base of the Morrow formation, underlying the NE/4 NE/4 Section 11, Township 19 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, to form a 320-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

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Attorneys for Applicant