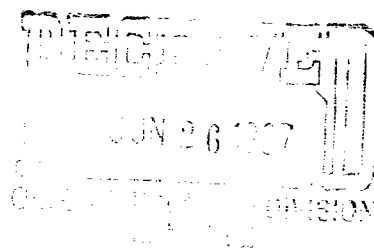


June 24, 1987



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

*Case 9180*

Re: Dagger "ZW" No. 1 Well  
Township 19 South, Range 25 East, NMPM  
Section 30: SW/4  
Eddy County, New Mexico

Gentlemen:

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

We understand that this matter has been set for hearing before an Examiner on July 15, 1987, and that you will furnish us with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pv  
Enclosures

cc w/enclosure: Ms. Kathy Colbert

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. 9180

APPLICATION

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

1. Applicant is the operator of the following described lands in Eddy County, New Mexico:

Township 19 South, Range 25 East, N.M.P.M.

Section 30: SW/4

containing 160 acres, more or less,  
and proposes to drill its Dagger "ZW" No. 1 Well at a point 1,980 feet from the south line and 1,980 feet from the west line of said Section 30, to a depth sufficient to penetrate the Permo Penn (Cisco Canyon) formation, at approximately 8,000 feet.

2. A standard 160-acre oil proration unit comprising the SW/4 of said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in the Permo-Penn (Cisco Canyon) formation; and a standard 40-acre oil proration unit comprising the NE/4 SW/4 of

said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil in any other formation.

3. There are interest owners in the unit who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Armour Properties	1411 13th Street, Suite 1-A Wichita Falls, Texas 76301 Attn: Tom Watson
Cathie Cone Auvenshine	P. O. Box 33280-296 Austin, Texas 78764
Harvey E. Yates	P. O. Box 1933 Roswell, New Mexico 88201 Attn: Rosemary Avery
Conoco Inc.	P. O. Box 460 Hobbs, New Mexico 88240 Attn: Robert Ireland
Marathon Oil Company	P. O. Box 552 Midland, Texas 79702 Attn: Joint Interest Rep.
Depco, Inc.	1000 Petroleum Building Denver, Colorado 80202 Attn: K. G. Ranum
Tom R. Cone	P. O. Box 778 Jay, Oklahoma 74346
Cities Service Oil & Gas Corporation	P. O. Box 1919 Midland, Texas 79701 Attn: Danny Kidwell
Clifford Cone	P. O. Box 6010 Lubbock, Texas 79413

4. Applicant should be designated the operator of the well and the proration unit.

5. 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 oil and gas in said unit, all mineral interests, whatever they may be, from the surface down to the base of the Permo-Penn (Cisco Canyon) formation, underlying SW/4 (if completed in the Permo-Penn (Cisco Canyon) formation) or NE/4 SW/4 (if completed any other formation) Section 30, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, should be pooled.

6. 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.

7. 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.

8. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from

the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

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 surface down to the base of the Permo-Penn (Cisco Canyon) formation, underlying SW/4 (if completed in the Permo-Penn (Cisco Canyon) formation), or NE/4 SW/4 (if completed in any other formation) Section 30, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, or such lesser portion as may be productive of oil and gas and dedicated to Applicant's well.

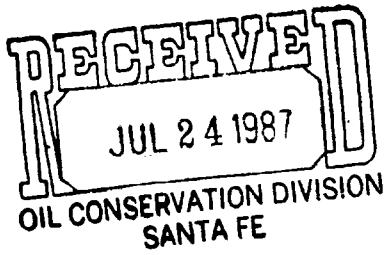
C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By:   
Chad Dickerson

DICKERSON, FISK & VANDIVER  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant



July 22, 1987

*M.S.*  
*7/24/87*

*DC*

Mr. Michael Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501

Re: Case #9180  
Application of Yates Petroleum Corporation for  
Compulsory Pooling, Eddy County, New Mexico  
Unit K 30-19-25

Dear Mr. Stogner:

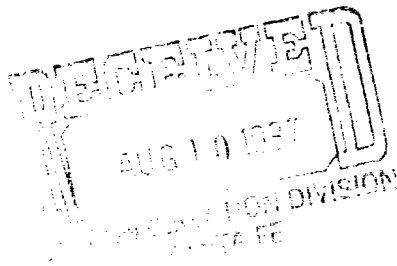
Please continue the captioned case until the examiner hearing of  
August 12, 1987.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:bh



August 6, 1987

*MS*  
*8/10/87*

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

Re: Case No. 9180  
Dagger "ZW" No. 1 Well  
Township 19 South, Range 25 East, NMPM  
Section 30: SW/4  
Eddy County, New Mexico

Gentlemen:

Please dismiss the Application of Yates Petroleum Corporation for Compulsory Pooling and a Non-Standard Oil Proration Unit, Eddy County, New Mexico, covering the above referenced lands, which we believe has been set for the Examiner Hearing of August 12, 1987, unless the non-standard unit portion of such application cannot be granted administratively.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

  
Chad Dickerson

CD:pv

cc: Ms. Kathy Colbert