

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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FEB 27 2004

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

CASE NO. 13228

APPLICATION OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF A WATERFLOOD PROJECT AND
QUALIFICATION OF THE PROJECT AREA FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, EDDY COUNTY, NEW
MEXICO.



PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by
the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mr. Randy Patterson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748.1471

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause, seeks approval of its North Dagger Draw-Upper Pennsylvanian Pool Unit Waterflood Project by injection of water into the Upper Pennsylvanian formations through 5 injection wells located in the following described area:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Sections 16 and 17:	All
Section 18:	S/2, S/2 NE/4, SE/4 NW/4, NE/4 NE/4
Sections 19 through 21:	All
Section 28 through 30:	All

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 12 miles south southwest of Artesia, New Mexico.

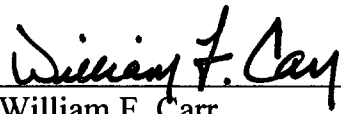
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Susan Vierra (Land)	Approx. 20 Minutes	Approx. 10
John Humphrey (Geology)	Approx. 15 Minutes	Approx. 6
George Freeman (Engineering)	Approx. 20 Minutes	Approx. 5

PROCEDURAL MATTERS

Yates Petroleum Corporation will request that this application be consolidated for purposes of Hearing with Case No. 13227.



William F. Carr
Attorney for Yates Petroleum Corporation