

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

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

**APPLICATION FO YATES DRILLING COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13477

2005 APR 15 PM 4:53

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Tony Krakauskas
Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
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STATEMENT OF CASE

Applicant in the above-styled cause seeks an order pooling all mineral interests from a depth of 4000 feet through the top of the Chester formation in the following described acreage in Section 8, Township 20 South, Range 27 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical

extent; and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the McMillan-Seven Rivers-Queen Pool and the Undesignated McMillan-Wolfcamp Pool. Said units are to be dedicated to its Crazy 8 Federal Com Well No. 1 to be drilled 990 feet from the North line and 660 feet from the West line (Unit D) of said Section 8 to an approximate depth of 11,000 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Yates Drilling Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately four miles northeast of Brantley Lake Dam, Eddy County, New Mexico.

PROPOSED EVIDENCE

APPLICANT

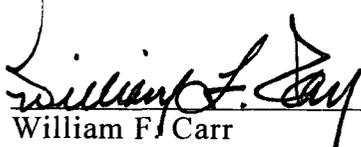
WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Tony Krakauskas (Land)	Approx. 20 Minutes	Approx. 6

PROCEDURAL MATTERS

Yates Drilling Company has none at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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Post Office Box 2208
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Attorneys for Yates Drilling Company