

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

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AUG . 4 2003

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

Oil Conservation Division

CASE NO. 13123

APPLICATION OF YATES PETROLEUM CORPORATION  
FOR COMPULSORY POOLING AND AN UNORTHODOX  
OIL WELL LOCATION, CHAVES 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 and Campbell & Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

WFC  
8/4/03

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the  
surface into the Pre-cambrian formation in the following described spacing and proration units  
located in the W/2 of Section 6, Township 10 South, Range 25 East, N.M.P.M., Chaves County,  
New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4

for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Delhagen "BAJ" Com Well No. 1 to be drilled at a standard gas well location 990 feet from the North line and 1330 feet from the West line (Unit C) of said Section 6. This location will be unorthodox for any formation and/or pool developed on 40-acre oil spacing. 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 Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles east northeast of Roswell, New Mexico.

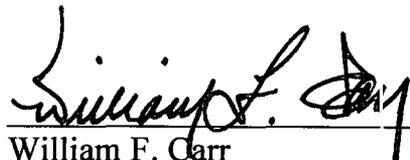
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Chuck Moran (Land)	Approx. 15 Minutes	Approx. 6
Tim Miller (Geology)	Approx. 15 Minutes	Approx. 7
David Boneau (Engineering)	Approx. 10 Minutes	Approx. 3

**PROCEDURAL MATTERS**

Yates Petroleum Corporation has none at this time.

  
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William F. Carr  
Attorney for Yates Petroleum Corporation