

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

RECEIVED

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

AUG . 4 2003

Oil Conservation Division

CASE NO. 13045

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX INFILL 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.
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20/1/03
15/1/03
12/1/03

STATEMENT OF CASE

APPLICANT

Applicant seeks an unorthodox infill oil well location in the Pecos Slope-Pennsylvanian Pool for its proposed George "QJ" Federal Well No. 11 to be drilled 2080 feet from the North line and 1350 feet from the West line (Unit F) of Section 26, Township 6 South, Range 25 East, which is located approximately 13.5 miles north of the

Pecos River bridge on U.S. Highway 70. This location will be an exception to the well location requirements provided within the "*(Temporary) Special Pool Rules for the Pecos Slope-Pennsylvanian Pool*," as promulgated by Division Order No. R-11721, and made permanent by Division Order No. R-11721-A, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26.

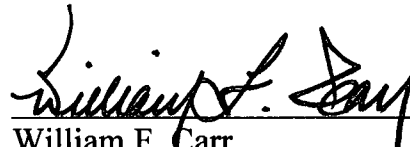
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Tim Miller (Geology)	Appxox. 15 Minutes	Approx. 4

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation