

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

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

**CASE NO. 13722**

**APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
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**

Yates Petroleum Corporation  
Attention: Janet Richardson  
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  
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**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 23, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Burton Flat-Morrow Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its South Avalon "AUA" Com. Well No. 1 that has been drilled at a standard

gas well location 660 feet from the North and West lines (Unit D) of said Section 23 to an approximate depth of 11,300 feet to test any and all formations from the surface to the base of the Morrow. 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 1 mile north of the northern city limits of Carlsbad, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**  
(Name and Expertise)

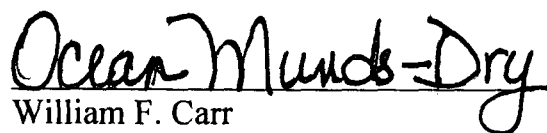
**ESTIMATED TIME**

**EXHIBITS**

**BY AFFIDAVIT**

**PROCEDURAL MATTERS**

Yates Petroleum Corporation has none at this time.

  
William F. Carr  
Attorney for Yates Petroleum Corporation