

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

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

CASE NO. 13922
(Reopened)

APPLICATION OF YATES PETROLEUM CORPORATION TO REOPEN AND
AMEND ORDER NO. R-12765, 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

Ms. Janet Richardson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
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ATTORNEY

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WJT 5/26/09

STATEMENT OF CASE

APPLICANT

On June 13, 2007, the Division entered Order No. R-12765 (Case 13922) approving the application of Yates for the creation of the Recif Unit. The case was submitted by Affidavit pursuant to the administrative alternative procedure authorized by Oil Conservation Division Rule 19.15.4.12.A(1)(b). The affidavit filed by Yates in support of this application incorrectly identified the unitized interval as being from the surface to the base of the Canyon (Upper Pennsylvanian) formation and Order No. R-12765 so limits the unitized interval. The unit agreement provides that "All oil and gas in any and all formations of the unitized lands are unitized" and the Unit Agreement

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has been approved by the State land Office and the Bureau of Land Management. The BLM discovered this discrepancy and contacted Yates in February 2009 and requested that Yates seek revision of this order.

Applicant seeks amendment of the order approving the Recif Unit to include all formations in any and all formations of the unitized lands which comprise 5,207.37 acres of Federal, State of New Mexico, and Fee lands located in Sections 30 and 31 of Township 22 South, Range 23 East, and Sections 5 through 8 and 18 and 19 of Township 23 South, Range 23 East, NMPM, Eddy County, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

ESTIMATED TIME

EXHIBITS

Yates Petroleum Corporation will present this case by revised affidavit.

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr

Attorney for Yates Petroleum Corporation