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. 11167

APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX INFILL GAS WELL LOCATION AND SIMULTANEOUS DEDICATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation_____ c/o Mecca Mauritsen_____ 105 South Fourth Street _____ Artesia, New Mexico 88210_____ (505) 748-1471______ name, address, phone and contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

William F. Carr, Esq.____ Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208_____ Santa Fe, New Mexico 87504____ (505) 988-4421_____

ATTORNEY

name, address, phone and contact person

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STATEMENT OF CASE

<u>APPLICANT</u>

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Yates Petroleum Corporation, applicant in the above-captioned cause, seeks approval to drill its Vandiver "CN" Com Well No. 2 at an unorthodox gas well location 1242 feet from the North line and 808 feet from the East line (Unit A) of Section 18, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool. Further, the applicant seeks an exception to Division General Rule 104(C)(2), as outlined by Division Memoranda dated July 27, 1988 and August 3, 1990, to continuously and concurrently produce gas from the West Atoka-Morrow Gas Pool from both its proposed Vandiver "CN" Com Well No. 2 and from its existing Vandiver "CN" Com Well No. 1, located at a previously approved unorthodox gas well location (Division order No. R-4508) 1650 feet from the North line and 660 feet from the West line (Lot 2/Unit E) of said Section 18 and for the simultaneous dedication of said wells to the 317.32-acre gas spacing and proration unit comprising Lots 1 and 2, the NE/4, and E/2 NW/4 (N/2 equivalent) of said Section 18 for production from the West Atoka-Morrow Gas Pool.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Robert Bullock, Land	10 Min.	Approximately 3
Brent May, Geologist	10 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise) EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

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