

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

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, DIRECTIONAL
DRILLING AND UNORTHODOX LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11738

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
105 South Fourth Street
Artesia, NM 88210

ATTORNEY

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

OPPOSITION OR OTHER PARTY

ATTORNEY

name, address, phone and contact person

STATEMENT OF CASE

APPLICANT

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

Yates Petroleum Corporation, applicant in the above-captioned cause, seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the W/2, in all formations developed on 160-acre spacing underlying the NW/4, in all formations developed on 80-acre spacing underlying the E/2 NW/4, and in all formations developed on 40-acre spacing underlying the SE/4 NW/4, from the surface to the base of the Morrow formation, of Section 11, Township 16 South, Range 35 East. Said units are to be dedicated to a well which will be directionally drilled from a standard surface location 1980 feet from the North and West lines to a target rate area within 50 feet from a point 1650 feet from the North line and 1980 feet from the West line of said Section 35 that includes unorthodox locations in the Strawn, Atoka and Morrow formations Undesignated Townsend-Morrow Gas Pool. 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 applicant as the operator of the well and a charge for risk involved in drilling said well.

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.)

PROPOSED EVIDENCE

APPLICANT

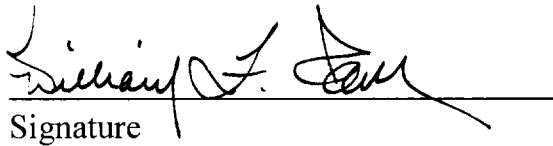
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
<u>Bill Owen</u> Land	10 min.	Approximately <u>6</u>
<u>Edsel Neff</u> Geologist	10 min.	Approximately <u>6</u>

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
-----------	-----------	----------

PROCEDURAL MATTERS

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


Signature