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January 16, 1998

**VIA FACSIMILE AND FIRST CLASS MAIL**

Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-5472

Re: Applications of Yates Petroleum to Drill its Jacque "AQJ" State  
Well Nos. 1, 2, 3 and 4, Section 34, Township 21 South, Range  
31 East, N.M.P.M., Eddy County, New Mexico, Case Nos.  
11913, 11914, 11915 and 11916

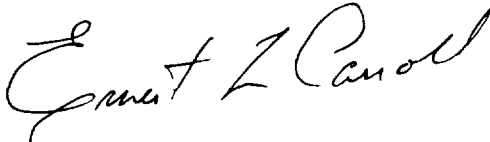
Dear Madam:

Enclosed, please find the prehearing statement of Yates Petroleum Corporation for filing in the captioned cause of action.

If you have any questions, please advise.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth  
Encl.

cc w/encl: Mr. Charles C. High, Jr. (by facsimile)

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

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR A  
PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO

CASE NOS. 11913, 11914  
11915, 11916

**PREHEARING STATEMENT**

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Yates Petroleum Corporation

**ATTORNEY**

Ernest L. Carroll  
Losee, Carson, Haas & Carroll, P.A.  
P. O. Box 1720  
Artesia, NM 88211-1720  
(505)746-3505

**OPPOSITION**

Mississippi Potash, Inc.

Charles C. High, Jr.  
Jenkins & Gilchrist  
1445 Ross Ave., Suite 3200  
Dallas, TX 75202-2799  
(214)855-4300

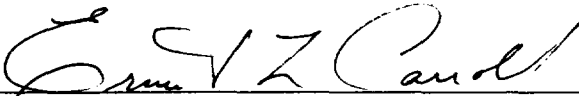
**STATEMENT OF CASE**

Yates Petroleum Corporation seeks permits to drill its Jacque "AQJ" State Wells No. 1 through 4 in Section 34, Township 21 South, Range 31 East, N.M.P.M., Eddy County New Mexico. Mississippi Potash, Inc. objected to the drilling of said wells. Yates will present evidence that there will be no waste of commercial potash deposits in Section 34; that the proposed wells do not constitute a hazard to the mining of commercial potash in Section 34; and that the proposed wells will not unduly interfere with the mining of commercial potash deposits in Section 34.

## PROPOSED EVIDENCE


WITNESSES	EST. TIME	APPROX. # EXHIBITS
Brent May, Geologist	30 min.	4
Dave Pearson, Reservoir Engineer	30 min.	4
Kathy Porter, Landman	15 min.	7
Nelson Muncy, Petroleum and Mining Engineer	30 min.	15
Greg Hazlett, Ph.D, Petroleum Engineer	30 min.	5
Larry Teufel, Ph.D, Geologist	30 min.	5
Gary Hutchinson, Mining Engineer	30 min.	9

LOSEE, CARSON, HAAS & CARROLL, P.A.

By:   
Ernest L. Carroll  
P.O. Box 1720  
Artesia, NM 88211-1720  
(505)746-3505

Attorneys for Applicant

I hereby certify that I caused a true and correct copy of the foregoing pleading to be mailed to counsel of record this January 16, 1998.

  
Ernest L. Carroll

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

IN THE MATTER OF THE APPLICATION OF  
YATES PETROLEUM CORPORATION FOR A  
PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO

CASE NOS. 11913 through  
11916

**AMENDED SUBPOENA DUCES TECUM**

TO: Ray Powell, M.S., D.V.M.  
Commissioner of Public Lands  
Or his Designee  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87504-1148

Pursuant to Section 70-2-8, N.M.S.A. (1978) and New Mexico Oil Conservation  
Division Rule 1211, YOU ARE HEREBY COMMANDED to appear at the place, day and  
time specified below and produce for inspection and copying the documents described on the  
attached Exhibit A.

**PLACE**

Oil Conservation Division Hearing Room  
2040 South Pacheco  
Santa Fe, New Mexico 87504

**DAY AND TIME**

January 30, 1998  
At 8:30 a.m.  
Examiner Hearing

This subpoena is issued on the applications of Yates Petroleum Corporation, by and  
through its attorneys, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll), P. O. Box  
1720, Artesia, NM 88210, (505)746-3505.

DATED this January 15, 1998.

NEW MEXICO OIL CONSERVATION DIVISION

By: David P. Litland for  
Kathleen A. Garland, Acting Director

## **AMENDED EXHIBIT A**

All LMR Maps for the Mississippi Potash, Inc. East Mine, formerly known as New Mexico Potash, particularly those covering Section 34, Township 21 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

All correspondence received by the State Land Office from the New Mexico Oil Conservation Division requesting information or defining data for the LMR Maps of Mississippi Potash, Inc. East Mine, formerly known as New Mexico Potash, as a result of or in connection with the filing of the instant applications of Yates Petroleum Corporation.

All correspondence in the possession of the New Mexico State Land Office between New Mexico Oil Conservation Division and the Bureau of Land Management concerning the proposed location of the Jacque wells with respect to LMR's and buffer zones.