

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

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OIL CONSERVATION DIV.

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

CASE NO. 12037

APPLICATION OF YATES PETROLEUM
CORPORATION FOR POOL CONTRACTION,
POOL CREATION AND SPECIAL
POOL RULES, OR IN THE ALTERNATIVE,
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 Doug Hurlbut
105 South Fourth Street
Artesia, New Mexico 88210
(505) 748-1471
name, address, phone and
contact person

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

Chesapeake Operating

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, NM 87504-2265
(505) 982-4285

OPPOSITION OR OTHER PARTY

Ocean Energy

ATTORNEY

Jim Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

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 therefore.)

Yates Petroleum Corporation, applicant in the above-captioned case seeks contraction and extension of the North Shoe Bar-Atoka Gas Pool to conform to the acreage dedicated to the wells therein, and the promulgation of Special Pool Rules and Regulations which authorized a second well on each standard spacing and proration unit in the pool. In the alternative, applicant seeks authorization to simultaneously dedicate its Brunson "AQK" State Com Well No. 1 located 2260 feet from the North line and 1795 feet from the East line (Unit G) and its Big Flat "ASN" State Com. Well No. 1 located 16509 feet from the South line and 1980 feet from the East line (Unit J) both in Section 10, Township 16 South, Range 35 East, to a standard gas spacing unit comprised of the E/2 in the North Shoe Bar-Atoka 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.)

PROPOSED EVIDENCE

APPLICANT

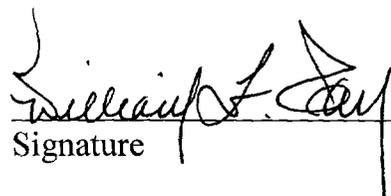
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Rob Bullock, Landman	10 Min.	Approximately 2
Eric Cummins, Geologist	15 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

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



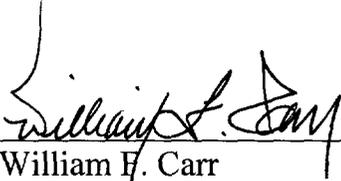
Signature

CERTIFICATE OF MAILING

I hereby certify that on this 11th day of September, I have caused to be mailed a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Jim Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504



William F. Carr