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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. 12545

APPLICATION OF HARVEY E. YATES COMPANY FOR COMPULSORY POOLING, 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 ATTORNEY

Harvey E. Yates Company P.O. Box 1933 Roswell, NM 88202 (505) 623-6601 William F. Carr Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 Pre-hearing Statement NMOCD Case No. 12545 Page 2

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the N/2, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 80-acre spacing in the N/2 NW/4, and in all formations developed on 40-acre spacing in the SW/4 NW/4 of Section 7 Township 20 South, Range 27 East. Said unit is to be dedicated to its Turner Federal Deep Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the West line of said Section 7 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Harvey E. Yates Company as operator of the well and a charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

Vernon Dyer Approx. 10 min. Approx. 5

(Landman)

Raymon Reyes Approx. 10 min. Approx. 3

(Geology)

PROCEDURAL MATTERS

Harvey E. Yates Company has none at this time.

William F Carr

ATTORNEYS FOR HARVEY E.

YATES COMPANY