

RECEIVED

SEP 1 1988

OIL CONSERVATION DIVISION

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

**IN THE MATTER OF THE APPLICA- :  
TION OF YATES PETROLEUM COR- :  
PORATION FOR AN UNORTHODOX : CASE NO. 10543  
WELL LOCATION, EDDY COUNTY, :  
NEW MEXICO :**

---

**PREHEARING STATEMENT**

This prehearing statement is submitted by David R. Vandiver of Fisk & Vandiver, attorneys for Yates Petroleum Corporation, as required by the Oil Conservation Division.

**APPEARANCES BY PARTIES**

**APPLICANT**

(name, address, phone and contact person)

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
(505) 748-1471  
Attention: Rob Bullock

**ATTORNEYS**

Fisk & Vandiver  
611 Mahone, Suite E  
Artesia, New Mexico 88210-2075  
(505) 746-9841  
Attention: David R. Vandiver

**OPPOSITION OR OTHER PARTY**

(name, address, phone and contact person)

**ATTORNEYS**

## STATEMENT OF CASE

### APPLICANT

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

Yates Petroleum Corporation seeks an exception to the well location requirements of Rule 104 to permit the drilling of its proposed Irish Hills "KW" State No. 3 Well at an unorthodox gas well location 660 feet from the north and east lines of Section 2, Township 19 South, Range 24 East, N.M.P.M., Eddy County, to test all formations from the top of the Wolfcamp formation to the base of the Morrow formation, and the dedication of Lots 1, 2, 3, 4, S/2 N/2 (N/2) of said Section 2 to said well for all formations which may be developed on 320-acre spacing. Yates further seeks an exception to Rule 104.C(2) to allow N/2 of said Section 2 to be simultaneously dedicated in the Peñasco Draw Permo-Pennsylvanian Gas Pool to the proposed well and the existing Irish Hills "KW" State No. 2 Well, located 1,980 feet from the north and east lines of said Section 2.

### 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		EST. TIME	EXHIBITS
Name	Expertise		
Rob Bullock	Landman	20 minutes	Plat Affidavits of Mailing
D'nese Fly	Geologist	20 minutes	Isopach and Structure Map Cross Section Log Section Structure Map on Permo Penn

**PROPOSED EVIDENCE  
APPLICANT (CONTINUED)**

<b>WITNESSES</b>		<b>EST. TIME</b>	<b>EXHIBITS</b>
<u>Name</u>	<u>Expertise</u>		
David Boneau	Engineer	20 minutes	Morrow Reservoir in Section 2 Drainage Area of Irish Hills "KW" State No. 2 Well

**PROPOSED EVIDENCE  
OPPOSITION**

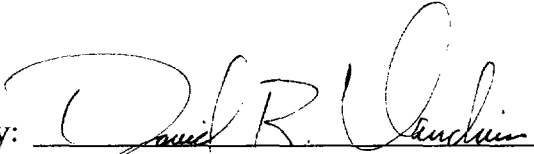
<b>WITNESSES</b>		<b>EST. TIME</b>	<b>EXHIBITS</b>
<u>Name</u>	<u>Expertise</u>		

**PROCEDURAL MATTERS**

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

None

**YATES PETROLEUM CORPORATION**

By:   
David R. Vandiver

**FISK & VANDIVER**  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant