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September 19, 1994

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Yates Petroleum Corporation
for Unorthodox Gas Well Location, Eddy
County, New Mexico, Case No. 11019/De Novo

Dear Mr. LeMay:

I am enclosing herewith Yates Petroleum Corporation's Prehearing Statement, in duplicate.

Please return a copy to me for my file.

Very truly yours,

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


Ernest L. Carroll

ELC:kth

xc w/encl: Tom Kellahin

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

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN : **CASE NO. 11019**
UNORTHODOX GAS WELL LOCATION, EDDY :
COUNTY, NEW MEXICO :

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
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P. O. Drawer 239
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OPPOSITION

Mitchell Energy Corporation

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265
(505)982-4285

Bass Enterprises Production
Company

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265
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STATEMENT OF CASE

Bass Enterprises Production Company entered its appearance at the July 21, 1994, hearing, and subsequently filed a request for hearing De Novo. Yates Petroleum Corporation seeks to drill its Llama ALL Fed. #1 at a point located 330' from the South line and 950' from the West line of Section 7, T22S, R31E, NMPM, Eddy County, New Mexico, at a depth

sufficient to test the Morrow formation, and forming a 319.81-acre gas proration unit comprising the S/2 of said Section 7. The location is located within the potash enclave and is the only location that the BLM will approve for the well.

Mitchell Energy Corporation also initially opposed Yates' application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mecca Mauritsen, Landman	15 min.	4
Dave Boneau, Engineer	45 min.	8
Brent May, Geologist	30 min.	6

Respectfully submitted,

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

By: 
Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3505

Attorneys for Yates Petroleum Corp.

Yates I hereby certify that I caused to be ~~mailed~~ a true and correct copy of the foregoing to all counsel of record this September 19, 1994.


Ernest L. Carroll

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:

M.S.

CASE NO. 11019 (DeNovo)

APPLICATION OF YATES ENERGY CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by BASS ENTERPRISES
PRODUCTION COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Yates Energy Corporation

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ATTORNEY

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OPPOSITION PARTIES

Mitchell Energy Corporation
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(713) 377-5818

ATTORNEYS

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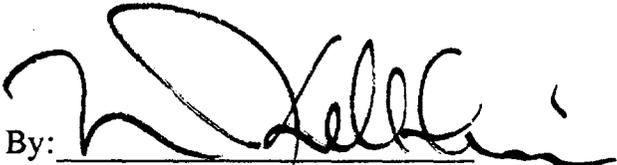
**BASS ENTERPRISES PRODUCTION COMPANY'S
STATEMENT OF CASE**

Bass Enterprises Production Company ("Bass") objects to the Yates Energy Corporation's unorthodox well location and requests the Commission to impose a substantial production penalty.

BASS' PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
George Hillis (geologist)	40-60 min.	est. 4 exhibits
Ronnie Platt (petroleum engineer)	40-60 min.	est. 6-12 exhibits

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
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