

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

RECEIVED

MAY 10 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
CASE NO. 13254

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

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, CHAVES COUNTY, NEW
MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
Attention: Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Pre-Cambrian formation in all spacing and proration units located in the e/2 of Section 2, Township 8 South, Range 26 East, N.M.P.M., Chaves County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated North Four Ranch-Pre-Permian Gas Pool and the Undesignated South Leslie Spring-Wolfcamp Gas Pool. Said units are to be dedicated to its Value "BCV" State Com Well No. 1 to be drilled at a standard gas well location 990 feet from the South line and 1980 feet from the East line (Unit O) of said Section 2. 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 Yates

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Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Roswell, New Mexico.

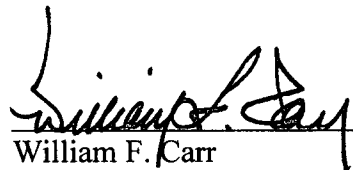
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Charles Moran (Land)	Approx. 10 Minutes	Approx. 8

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation