

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

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

**CASE NO. 13398**

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

**2009 DEC 30 AM 10 39**

**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 in the above-styled cause seeks an order pooling all mineral interests from the surface through the base of the Morrow formation in the following described acreage in Section 17, Township 25 South, Range 26 East, NMPM: N/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Chosa Draw-Morrow Gas Pool, Undesignated Sage Draw-Atoka Gas Pool and the Undesignated Sage Draw-Wolfcamp

Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Guita "BFL" Com Well No. 1 to be drilled 990 feet from the North line and 1980 feet from the East line of said Section 17 to an approximate depth of 12,000 feet. 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 Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles southwest of Carlsbad, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

| WITNESSES<br>(Name and Expertise) | ESTIMATED TIME     | EXHIBITS  |
|-----------------------------------|--------------------|-----------|
| Susan Vierra (Land)               | Approx. 20 Minutes | Approx. 8 |

**PROCEDURAL MATTERS**

Yates Petroleum Corporation has none at this time.

  
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William F. Carr  
Attorney for Yates Petroleum Corporation