

**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:**

**APPLICATION FO YATES DRILLING COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13477

2005 APR 15 PM 4:53

**PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

**APPLICANT**

Tony Krakauskas  
Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210-2118  
(505) 748-1471

**ATTORNEY**

William F. Carr  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 9884421

**STATEMENT OF CASE**

Applicant in the above-styled cause seeks an order pooling all mineral interests from a depth of 4000 feet through the top of the Chester formation in the following described acreage in Section 8, Township 20 South, Range 27 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical

extent; and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the McMillan-Seven Rivers-Queen Pool and the Undesignated McMillan-Wolfcamp Pool. Said units are to be dedicated to its Crazy 8 Federal Com Well No. 1 to be drilled 990 feet from the North line and 660 feet from the West line (Unit D) of said Section 8 to an approximate depth of 11,000 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 Drilling Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately four miles northeast of Brantley Lake Dam, Eddy County, New Mexico.

#### **PROPOSED EVIDENCE**

##### **APPLICANT**

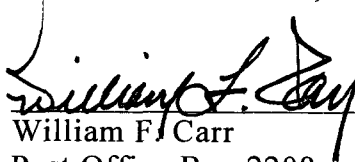
<b>WITNESSES (Name and Expertise)</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Tony Krakauskas (Land)	Approx. 20 Minutes	Approx. 6

#### **PROCEDURAL MATTERS**

Yates Drilling Company has none at this time.

Respectfully submitted,

HOLLAND & HART, LLP

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208

**Attorneys for Yates Drilling Company**