

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

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

APPLICATION OF HARVEY E. YATES COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, COMPULSORY POOLING, AND
AN UNORTHODOX OIL WELL LOCATION, LEA
COUNTY, NEW MEXICO.

Case No. 15,233

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202

Attention: Colby Booth
(575) 623-6601

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2SE/4 of Section 22 and E/2E/2 of Section 27, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Mallon 27 Fed. Com. Well No. 1H, a horizontal well with a surface location 330 feet from the south line and 660 feet from the east

line of Section 27, and a terminus 2310 feet from the south line and 660 feet from the east line of Section 22. The location is unorthodox under regulations for the Lea-Bone Spring Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

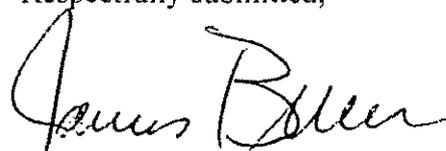
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Colby Booth (landman)	15 min.	Approx. 8
Gordon Yahney (geologist)	15 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Harvey E. Yates Company