

**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:**

2006 FEB 23 PM 4 22
CASE NO. 13651

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
EDDY 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: Robert Bullock
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Delaware formation to 100 feet below the base of the Chester formation at approximately 11,600 feet, less and except the Strawn interval defined as the stratigraphic equivalent of depths from 10,205 feet to 10,662 feet as found on the electric log dated December 27, 1974 in the Burton Flat Deep Unit Well No. 13 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico in the following described spacing and proration units located in the S/2 of Section 28, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations

and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Burton Flat-Morrow Gas Pool, Undesignated Burton Flat-Atoka Gas Pool and the Burton Flat-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Undesignated Avalon-Bone Spring Pool. Said units are to be dedicated to its Hedgerow "BFH" State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1219 feet from the West line (Unit M) of said Section 28. 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 charge for risk involved in drilling said well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.

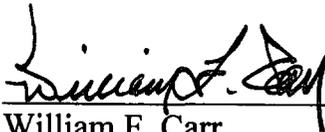
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Robert Bullock (Landman)	Approx. 10 Minutes	Approx. 6

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation