

**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. 13531

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR AN ORDER (1) DIRECTING
PRIDE ENERGY COMPANY TO REIMBURSE YATES
FOR THE WELL COSTS INCURRED BY YATES IN ITS
ATTEMPT TO RE-ENTER THE STATE "X" WELL NO. 1
(API NO. 30-025-01838) LOCATED IN SECTION 12,
TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM,
PRIOR TO THE TIME PRIDE ENERGY COMPANY
ASSUMED OPERATIONS OF THE WELL, (2)
DIRECTING PRIDE ENERGY COMPANY TO
ACCOUNT FOR AND PAY ALL SUMS IT IS NOW
IMPROPERLY HOLDING PURSUANT TO EXPIRED
ORDERS OF THE DIVISION AND COMMISSION, AND
(3) REQUIRING PRIDE ENERGY COMPANY TO PLUG
AND ABANDON THE STATE "X" WELL NO. 1, LEA
COUNTY, NEW MEXICO**

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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: Charles Moran
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

OPPOSITION

Pride Energy Corporation

ATTORNEY

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504

STATEMENT OF CASE

APPLICANT

Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on the State "X" Well No. 1 (API No. **30-025-01838**) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now improperly held by Pride pursuant to expired orders of the Division and Commission, and (3) an order directing Pride to plug and abandon the State "X" Well.

PROPOSED EVIDENCE

APPLICANT

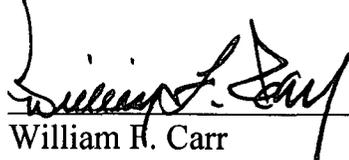
WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Charles Moran (Land)	Approx. 10 Minutes	Approx. 3
Tom Weir (Accounting)	Approx. 15 Minutes	Approx. 2

The parties have exchanged accounting information and Yates Petroleum Corporation has identified to Pride Energy Corporation the costs to which Yates objects. Pride has not identified as objectionable any of Yates costs. Until Pride raises objections, if any, to Yates costs, Yates must identify additional witnesses it may call in response to Pride's objections, if any. Yates' witnesses may include:

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Sam Branson (Engineer)	Approx. 10 Minutes	Approx. 2
Al Springer (Drilling Engineer)	Approx. 10 Minutes	Approx. 2
Corey Fredrick (Drilling)	Approx. 10 Minutes	Approx. 2

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



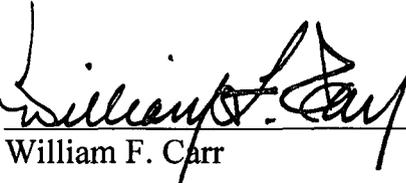
William H. Carr
Attorney for Yates Petroleum Corporation

CERTIFICATE OF SERVICE

I certify that on September 16, 2005 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

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