

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

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

CASE NO. 13722

**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

<u>APPLICANT</u>	<u>ATTORNEY</u>	2006 MAY 31 PM 3 16
Yates Petroleum Corporation Attention: Janet Richardson 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748-1471	William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421	

WVS 5/31/06

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 23, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Burton Flat-Morrow Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its South Avalon "AUA" Com. Well No. 1 that has been drilled at a standard

gas well location 660 feet from the North and West lines (Unit D) of said Section 23 to an approximate depth of 11,300 feet to test any and all formations from the surface to the base of the Morrow. 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 1 mile north of the northern city limits of Carlsbad, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

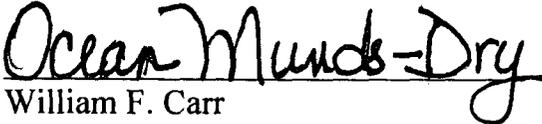
ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.


William F. Carr

Attorney for Yates Petroleum Corporation