

**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 YATES PETROLEUM
CORPORATION FOR NON-STANDARD
SPACING AND PRORATION UNITS,
CHAVES COUNTY, NEW MEXICO.**

CASE NO 13968

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Mr. Lucky Briggs
Yates Petroleum Corporation
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

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order creating a non-standard 184.63-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 3 and 4 of in irregular Section 36 of Township 9 1/2 South, Range 24 East, NMPM and Lots 3 and 4 and S/2 NW/4 of irregular Section 1, Township 10 South, Range 24 East, NMPM; and a non-standard 52.06-acre spacing and proration unit, for all formations and/or pools developed on 40-acre spacing, comprised of Lot 3, of said Section 1. Yates proposes to dedicate these non-standard spacing units to its Erma

Com Well No. 3 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line to an approximate depth of 4774 feet.

PROPOSED EVIDENCE

APPLICANT

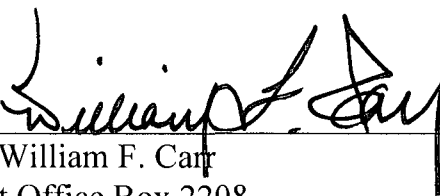
WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Chuck Moran or Lucky Briggs (Land)	Approx. 10 minutes	Approx. 2
George Freeman (Engineering)	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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**ATTORNEY FOR YATES PETROLEUM
CORPORATION**