

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. 10363

**RECEIVED**

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO

AUG 02 1991

OIL CONSERVATION DIV.  
SANTA FE

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MCKAY OIL  
COMPANY as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

(name, address, phone  
and contact person)

Yates Petroleum Corp.

**ATTORNEY**

William F. Carr  
Campbell & Black, P.A.  
P.O. Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**OPPOSITION OR OTHER PARTY**

(name, address, phone  
and contact person)

McKay Oil Company

**ATTORNEY**

Karen Aubrey  
KELLAHIN, KELLAHIN & AUBREY  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

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**STATEMENT OF CASE**

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

McKay Oil Company believes there is a possibility of drilling two wells in Section 25, one in N/2 and one in S/2 thereby producing more oil because the proration unit would be on a horizontal basis rather than a vertical basis. Yates owns no interest in the N/2 so McKay, as owner of 280 acres in the N/2, should be operator of the N/2.

**PROPOSED EVIDENCE**

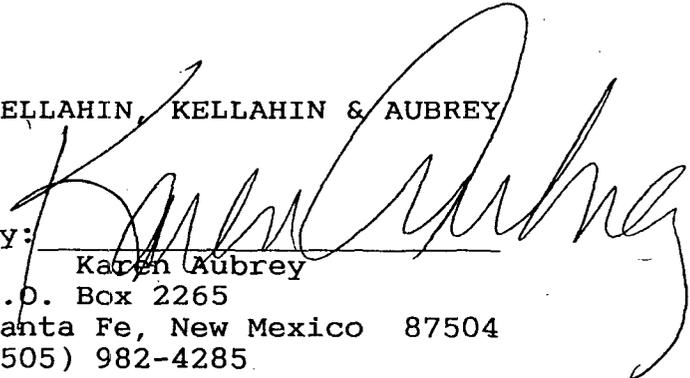
OPPOSITION

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Jim Schultz (Landman)	15-20 Min.	Land plat
George Reddy (Geologist)	15-20 Min.	Stratigraphic map
Charles Sanders (P.E.)	15-20 Min.	Isopach map
		Well logs
		Reservoir engineering data
		Production history from offset wells

**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

By: 

Karen Aubrey

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Santa Fe, New Mexico 87504

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