

VANDIVER & BOWMAN, P. C.

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(575) 746-4208
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February 10, 2011

Ms. Florene Davidson
Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

*Re: Application of Yates Petroleum Corporation for
Compulsory Pooling, Eddy County, New Mexico.*

Case No. 14597

Dear Florene:

Enclosed is the Pre-Hearing Statement in Case No. 14597 which is scheduled for hearing on February 17, 2011. If you have any questions, please call me at 575-746-9841. Thank you.

Very truly yours,

VANDIVER & BOWMAN, P. C.



David R. Vandiver

DRV:ldc

Encl./as stated

cc: Mr. Chuck Moran

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

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

CASE NO. 14597

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Vandiver & Bowman, P.C., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico
(575) 748-1471
Attention: Charles E. Moran

ATTORNEY

David R. Vandiver
Vandiver & Bowman, P.C.
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STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying Lots 3, 4, E/2 SW/4, SE/4 (S/2 equivalent) of Section 30, Township 19 South, Range 25 East, N.M.P.M., and in the following manner: Lots 3, 4, E/2 SW/4, SE/4 to form a standard 322.76-acre spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent; the SE/4 to form a standard 160-acre spacing and proration unit for all pools or formations developed on 160-acre spacing within that vertical extent; and the SW/4 SE/4 to form a standard 40-acre spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Dagger Draw 30SE Federal Com. No. 11 Well (formerly the North Dagger Draw Upper Penn Unit No. 131 Well) located 660 feet from the south line and 1,980 feet from the east line of said Section 30. Also to be considered will be the cost of recompleting, testing and equipping 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 200% charge for risk involved in recompleting said well.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Charles E. Moran, Petroleum Landman	20 minutes	Approximately 9
John Amiet, Petroleum Geologist	15 minutes	Approximately 4

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

Respectfully submitted,

VANDIVER & BOWMAN, P.C.

By: 

David R. Vandiver
611 West Mahone, Suite E
Artesia, New Mexico 88210
575-746-9841

Attorneys for Yates Petroleum Corporation