

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

IN THE MATTER OF THE APPLICATION OF :  
NEARBURG EXPLORATION COMPANY/NEARBURG : CASE NO. 11358  
PRODUCING COMPANY TO TERMINATE :  
INJECTION OPERATIONS INTO TWO CERTAIN :  
DISPOSAL WELLS BY RESCINDING DIVISION :  
ADMINISTRATIVE ORDER SWD-336 AND :  
DIVISION ORDER NO. R-7637, EDDY COUNTY, :  
NEW MEXICO :  
\_\_\_\_\_ :

**PREHEARING STATEMENT**

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Nearburg Producing Company

ATTORNEY

W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, NM 87504-2265

**OPPOSITION**

Yates Petroleum Corporation

ATTORNEY

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Losee, Carson, Haas  
& Carroll, P.A.  
P. O. Drawer 239  
Artesia, NM 88211-0239  
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Anadarko Petroleum Corporation

Jim Bruce  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
P.O. Box 2068  
Santa Fe, NM 87504-2268

STATEMENT OF CASE

APPLICANT

Nearburg Producing Company seeks an order rescinding Administrative Order SWD-336, dated March 3, 1988, which permitted Yates to utilize its Osage Well No. 1 as a salt water disposal well into the Canyon formation and Order No. R-7637, dated August 23, 1984, which authorized Anadarko to dispose of produced salt water into the Cisco/Canyon formation through its Dagger Draw SWD Well No. 1.

OPPOSITION

Yates opposes this application, and will present testimony and evidence supporting its opposition.

PROPOSED EVIDENCE

YATES PETROLEUM CORPORATION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Randy Patterson, Landman	15	2
Brent May, Geologist	20	5
Bob Fant, Engineer	45	12

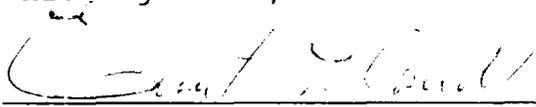
Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By:   
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Attorneys for Yates Petroleum Corp.

I hereby certify that I caused to be mailed a true and correct copy of the foregoing to all counsel of record this August 31, 1995.

  
Ernest L. Carroll