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:

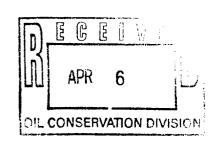
Jul.

CASE NO. 11525

APPLICATION OF YATES PETROLEUM CORPORATION FOR AMENDMENT OF THE SPECIAL POOL RULES AND REGULATIONS FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN POOL AND FOR THE CANCELLATION OF OVERPRODUCTION, EDDY COUNTY, NEW MEXICO.

name, address, phone and

contact person



PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT	ATTORNEY
Yates Petroleum Corporation	William F. Carr, Esq.
c/o Randy Patterson	Campbell, Carr, Berge & Sheridan, P.A.
105 South Fourth Street	Post Office Box 2208
Artesia, New Mexico 88210	Santa Fe, New Mexico 87504
(505) 748-1471 name, address, phone and contact person	(505) 988-4421
OPPOSITION OR OTHER PARTY	ATTORNEY

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STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Yates Petroleum Corporation, applicant in the above-captioned cause, seeks amendment of the Special Pool Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool located in portions of Townships 19 and 20 South, Ranges 24 and 25 East, to provide for a special depth bracket allowable of 4000 barrels of oil per day for each 160-acre proration unit. Applicant also seeks the cancellation of all overproduction in the pool on the date the requested depth bracket allowable becomes effective.

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.)

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PROPOSED EVIDENCE

<u>APPLICANT</u>

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Brent May, Geologist	15 Min.	Approximately 4
Bob Fant, Engineer	60 Min.	Approximately 10

<u>OPPOSITION</u>

WITNESSES	EST. TIME	EXHIBITS
(Name and expertise)		

PROCEDURAL MATTERS

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

Yates will request that his case be consolidated for the purpose of hearing with Case No. 11526.

Signature