

**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. 11971**

**APPLICATION OF YATES PETROLEUM CORPORATION  
FOR SIMULTANEOUS DEDICATION, NON-STANDARD  
PRORATION UNIT AND AN UNORTHODOX WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Nearburg Exploration Company, L.L.C., as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Yates Petroleum Corporation

**ATTORNEY**

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

**OPPOSITION PARTIES**

Nearburg Producing Company  
330 North "A" Street Ste 3100  
Midland, Texas 79705  
Attn: Bob Shelton  
(915) 686-8235

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
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**STATEMENT OF CASE**

**OPPOSITION PARTY**

Nearburg Exploration Company, L.L.C. ("Nearburg") is an owner of an oil and gas lease in the NE/4 of Section 12, T21S, R21E which is the western offset to Yates Petroleum Corporation's ("Yates") 240.64 acre non-standard proration unit in the W/2 of Section 7, T21S, R22E.

Nearburg requests that the Division deny Yates' attempt to have two Morrow gas wells in this spacing unit.

**PROPOSED EVIDENCE**

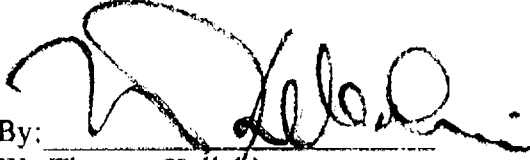
**OPPOSITION PARTY:**

WITNESSES	EST. TIME	EXHIBITS
Jerry Elger (petroleum geologist)	30 minutes	@ 4
Clyde Finley (petroleum engineer)	30 Minutes	@ 4

**PROCEDURAL MATTERS**

None

KELLAHIN AND KELLAHIN

By:   
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