

**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:**

OIL CONSERVATION DIV
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**APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY POOLING
AND A NON-STANDARD GAS SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. 12590

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
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ATTORNEY

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OTHER PARTY

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Pre-hearing Statement
NMOCD Case No. 12590
Page 2

OPPOSITION

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OPPOSING COUNSEL

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STATEMENT OF CASE

APPLICANT

Yates Petroleum Corporation, applicant in the above-captioned case, seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2 Equivalent) of Irregular Section 3, Township 16 South, Range 35 East, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates Daisy AFS State Well No. 2 to be drilled at a standard location 660 feet from the North and East lines of said Section 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. Also to be considered will be the cost of drilling and completing 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 charge for risk involved in drilling said well. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

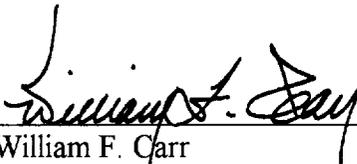
ESTIMATED TIME

EXHIBITS

None.

PROCEDURAL MATTERS

Yates Petroleum Corporation will request that this case be consolidated with Case Numbers 12535, 12567 and 12569 for the purpose of hearing.



William F. Carr

Attorney for YATES PETROLEUM CORPORATION

CERTIFICATE OF MAILING

I hereby certify that on this 6th day of February, 2001, I have caused to be delivered by facsimile a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

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