

**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:**

**APPLICATION OF YATES PETROLEUM  
CORPORATION FOR POOL CREATION  
AND SPECIAL POOL RULES INCLUDING  
SPECIAL SPACING AND WELL LOCATION  
REQUIREMENTS AND A SPECIAL DEPTH  
BRACKET ALLOWABLE, CHAVES COUNTY,  
NEW MEXICO.**

**CASE NO. 12751**

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OIL CONSERVATION DIV

**PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by Holland & Hart LLP as required by Oil Conservation Division Rule 1208.B.

**APPEARANCES OF PARTIES**

**APPLICANT:**

Yates Petroleum Corporation.  
Attention: David Boneau  
105 South Fourth Street  
Artesia, New Mexico 88210  
(505) 748-1471

**ATTORNEY:**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF CASE**

Application of Yates Petroleum Corporation for pool creation and special pool rules including special spacing and well location requirements and a special oil depth bracket allowable Chaves County, New Mexico. Applicant, in the above-styled cause seeks the creation of a new pool, to be known as the Pecos Slope Deep Oil Pool, as the result of the discovery of oil in its George "QJ" Federal Well No. 10 located 660 feet from the South line and 1500 feet from the West Line of Section 26, Township 6 South, Range 25 East, NMPM, Chaves County,

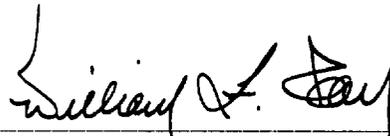
New Mexico.. The pool boundaries for this new oil pool should include the W/2 of Section 26, Township 6 South, Range 25 East, NMPM, and it should include all formations below the base of the Abo formation. Applicant also seeks the adoption of Special Pool Rules and Regulation for the pool including 320-acre oil well spacing, a pre-approved infill well in the quarter section not containing the original well and, pursuant to Division General Rule 505-D, a special depth bracket allowable of 694 barrels of oil per day.

**PROPOSED EVIDENCE**

| <b><u>WITNESS:</u></b>               | <b><u>ESTIMATED TIME:</u></b> | <b><u>EXHIBITS:</u></b> |
|--------------------------------------|-------------------------------|-------------------------|
| Tim Miller<br>(Geology)              | 20 minutes                    | Approximately 5         |
| David Boneau<br>(Petroleum Engineer) | 20 Minutes                    | Approximately 6         |

**PROCEDURAL MATTERS**

Yates Petroleum Corporation has none at this time.



William F. Carr  
ATTORNEY FOR YATES PETROLEUM  
CORPORATION.