

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

**RECEIVED**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

AUG 21 2002

Oil Conservation Division

**APPLICATION OF YATES PETROLEUM CORPORATION  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 12912**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Mr. Randy Patterson  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118  
(505) 748.1471

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP and Campbell & Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations in the following described spacing and proration units located in Section 25, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Burton Flat-Morrow Gas Pool, the Undesignated Crozier Bluff-Atoka Gas Pool and the Undesignated Northeast Happy Valley-Strawn Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to

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the Louise "AYI" Well No. 1 to be drilled at a standard gas well location 1630 feet from the South line and 682 feet from the East line of said Section 25 to a depth of approximately 12,000 feet to test all formations from the surface to the base of the Morrow 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 12 miles southeast of Lakewood, New Mexico.

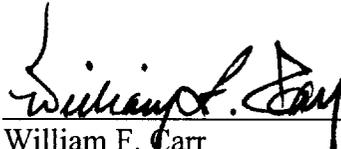
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Janet Richardson (Land)	Approx. 15 Minutes	Approx. 6
John Amiet (Geology)	Approx. 10 Minutes	Approx. 1

**PROCEDURAL MATTERS**

Yates Petroleum Corporation has none at this time.

  
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William F. Carr  
Attorney for Yates Petroleum Corporation