

**BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO**

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATIONS)
OF YATES PETROLEUM CORPORATION)
FOR COMPULSORY POOLING, EDDY)
COUNTY, NEW MEXICO.) CASE NOS. 10467, 10472

CONSOLIDATED PRE-HEARING STATEMENT

This consolidated prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division. The issues on Case Nos. 10467, and 10472 are the same and Yates Petroleum Corporation will move to consolidate the hearings on its applications, and therefore files this Consolidated Pre-hearing Statement.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210
(505)748-1471

Ernest L. Carroll
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P. O. Drawer 239
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OPPOSITION OR OTHER PARTY

ATTORNEY

See attached Exhibit "A"

No attorneys are known

STATEMENT OF CASE

APPLICANT

Applicant has the right to drill its Chalk "AKH" Federal No. 2 Well in the Morrow formation as a gas well, which is to be located at a point 660' FNL and 1980' FEL of Section 27, Township 18 South, Range 27 East, N.M.P.M. (Case No. 10467)

Applicant also has the right to drill its Chalk "AKH" Federal No. 3 Well in the Morrow formation as a gas well, which is to be located at a point 660' FNL and 1330' FEL of Section 27, Township 18 South, Range 27 East, N.M.P.M. (Case No. 10472)

Applicant has dedicated the N/2 of said section to these wells and there are interest owners in the proration unit who have not agreed to pool their interests. Applicant should be designated the operator of the wells and the proration units, and all mineral interests from 5,000 feet below the surface down through and including the Morrow formation underlying the N/2 of Section

27 should be pooled. Any non-consenting working interest owner who does not pay his share of the reasonable well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof, as a reasonable charge for the risk involved in the drilling of the well.

OPPOSITION OR OTHER PARTY

At this time we expect opposition from Nearburg Exploration Company due to the filing of their conflicting application in Case No. 10473.

PROPOSED EVIDENCE

APPLICANT

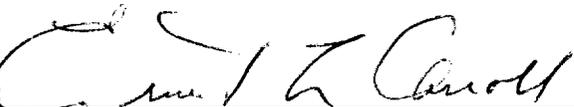
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mike Burch, Landman	15	5
David Cromwell, Geologist	20	6
Jim Brown, Engineer	10	2

OPPOSITION

Unknown

YATES PETROLEUM CORPORATION

By



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Attorneys for Yates Petroleum
Corporation

EXHIBIT "A"

INTEREST OWNERS/OFFSET OPERATORS

<u>Chalk No. 2</u>	<u>Waiver Received</u>
H. M. Bettis, Inc.	Yes
Turnco, Inc.	Yes
L. E. Opperman	Yes
Bettis Brothers	Yes
M. Craig Clark	Yes
David Cromwell	Yes
Nearburg Exploration	No
Oryx Energy Company	Yes
Baber Well Servicing	Yes

<u>Chalk No. 3</u>	
H. M. Bettis, Inc.	Yes
Turnco, Inc.	Yes
L. E. Opperman	Yes
Bettis Brothers	Yes
M. Craig Clark	Yes
David Cromwell	Yes
Nearburg Exploration	No