

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

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION : CASE NO. 10108
FOR AN ORDER AMENDING SPECIAL :
RULES AND REGULATIONS FOR THE :
SOUTH DAGGER DRAW - UPPER :
PENNSYLVANIAN ASSOCIATED POOL :
_____ :

PRE-HEARING STATEMENT

This prehearing statement is submitted by Yates Petroleum Corporation, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT	ATTORNEY
Yates Petroleum Corporation	Ernest L. Carroll Losee, Carson, Haas & Carroll, P. A. P. O. Drawer 239 Artesia, New Mexico 88210
OPPOSITION OR OTHER PARTY	ATTORNEY
See attached Exhibit "A"	No attorneys are known

STATEMENT OF CASE

APPLICANT

Applicant is the operator of several wells, as listed in the Application, each of which is producing from the South dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico.

In Case No. 5813, Order R-5353, the Commission set general rules applicable to all associated pools and Special Rules and Regulations for the South Dagger Draw - Upper Pennsylvanian Associated Pool. Order No. R-5353-A, dated March 15, 1977, made permanent the Special Rules and Regulations adopted in Order No. R-5353. Applicant seeks to amend the Special Rules numbered 2b, 6 and 22 to read as follows:

Rule 2b. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract, no nearer than 660 feet to the nearest end boundary of the tract, nor closer than 330 feet to any quarter, quarter section or subdivision inner boundary.

Rule 6. The limiting gas-oil ratio shall be 10,000 cubic feet of gas for each barrel of oil produced.

Rule 22. The special depth [allowable] for an oil well on a 320 acre tract shall be 700 barrels of oil per day.

The approval of this application will afford Applicant the opportunity to produce its just and equitable share of gas and oil, and such amendment is feasible in accordance with good conservation practices, and will otherwise prevent waste, and protect correlative rights.

OPPOSITION OR OTHER PARTY

See attached Exhibit "A", which sets out the offset operators and interest owners, noting which have provided waivers.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Kathy Porter, Landman	10 mins.	2
Denise Fly, Geologist	10 mins.	2
Pinson McWhorter, Reservior Engineer	15 mins.	3

OPPOSITION

Unknown

Conoco, Inc. (Waiver)
P. O. Box 1959
Midland, Texas 79702

McKay Oil Corporation
P. O. Box 2014
Roswell, New Mexico 88201

Graham Royalty
P. O. Box 3134
Covington, LA 70434-3134

Texas Oil & Gas Corporation
900 Wilco Building
Midland, Texas 79701

Estate of Kathleen Cone
P. O. Box 1509
Lovington, New Mexico 88260

D. C. Trust (Waiver)
P. O. Box 64244
Lubbock, Texas 79464

Clifford Cone (Waiver)
P. O. Box 1509
Lovington, New Mexico 88260

Kenneth G. Cone
P. O. Box 11310
Midland, Texas 79702

Cathie Cone Auvenshine (Waiver)
P. O. Box 658
Dripping Spring, Texas 78620-0658

EXHIBIT "A"

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

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

CASE NO. 10108 Reopened

REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-5353-L, AS
AMENDED, TO SHOW CAUSE WHY THE AMENDED
TEMPORARY SPECIAL RULES AND REGULATIONS
FOR THE SOUTH DAGGER-DRAW-UPPER
PENNSYLVANIAN ASSOCIATED POOL SHOULD
NOT BE RESCINDED, EDDY COUNTY, NEW
MEXICO

RECEIVED

DEC 26 1962

OIL CONSERVATION DIVISION

ENTRY OF APPEARANCE

COMES NOW, W. THOMAS KELLAHIN of Kellahin and
Kellahin, and enters the firm's appearance on behalf of
MARATHON OIL COMPANY in the above captioned matter.

Respectfully Submitted,

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR MARATHON OIL
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Entry of Appearance was sent by Hand Delivery to William J. LeMay, Oil Conservation Division, 310 Old Santa Fe Trail, Room 219, Santa Fe, NM 87501 and by Facsimile Transmission and by U.S. Mail to Ernest Carroll, Esq. (Facsimile No. (505) 746-6316), P.O. Drawer 239, Artesia, New Mexico 88211-0239 on this 30 day of October, 1992.



W. Thomas Kellanin