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P. O. DRAWER 239

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March 12, 1992

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

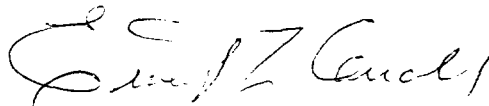
Re: Applications of Yates Petroleum
Corporation for Permits to Drill,
Eddy County, New Mexico, Case Nos.
10446, 10447, 10448 and 10449

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Yates
Petroleum's Consolidated Pre-hearing Statement in the above-
referenced Applications.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:bjk
Enclosures

cc w/encl: Mr. Randy Patterson
Mr. Charles C. High, Jr.

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

RECEIVED

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATIONS OF :
YATES PETROLEUM CORPORATION FOR : CASE NOS. 10446, 10447
PERMITS TO DRILL, EDDY COUNTY, : 10448, 10449
NEW MEXICO :
:

CONSOLIDATED
PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Yates Petroleum Corporation, as required by the Oil Conservation Division. The issues in Case Nos. 10446, 10447, 10448 and 10449 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

Ernest L. Carroll
Losee, Carson, Haas
& Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505) 746-3505

OPPOSITION OR OTHER PARTY

ATTORNEY

New Mexico Potash Corporation

Charles C. High, Jr.
Kemp, Smith, Duncan & Hammond
2000 State National Plaza
El Paso, Texas 79901
(915) 533-4424

STATEMENT OF CASE

APPLICANT

Applicant is the operator of the Delaware and intermediate formations underlying Section 2 of Township 22 South, Range 31 East, N.M.P.M., and seeks to test the Delaware and intermediate formations by drilling the following proposed wells at the following locations:

Graham "AKB" State No. 3	660' FNL, 1,650' FEL
Graham "AKB" State No. 4	1,980' FNL, 1,650' FEL
Flora "AKF" State No. 1	660' FSL, 2,310' FWL
Flora "AKF" State No. 2	1,980' FSL, 2,310' FWL

to a depth of 8500 feet. The potash lessee underlying this same acreage objects to the drilling of said wells.

OPPOSITION OR OTHER PARTY

It is anticipated that New Mexico Potash Corporation will appear and protest the application. We are presently unaware of any other parties who will appear or protest.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Rob Bullock, Landman	15 mins.	6
Brent May, Geologist	15 - 20 mins.	5
Dave Boneau, Engineer	15 - 20 mins.	5
George Warnock, Mining Engineer	30 - 45 mins.	5
Randy Patterson, Landman	15 mins.	2
Larry Brooks, Geologist	15 mins.	2

OPPOSITION

Unknown.

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 

Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88210
(505/746-3505)

Attorneys for Yates Petroleum
Corporation