

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 PECOS PRODUCTION COMPANY
FOR A COOPERATIVE WATERFLOOD PROJECT AND
TO QUALIFY THE PROJECT FOR THE RECOVERED
OIL TAX RATE, EDDY COUNTY, NEW MEXICO.

Case No. 13,377

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant, as required
by the Oil Conservation Division.

APPEARANCES

APPLICANT

Pecos Production Company
Suite 1070
400 West Illinois
Midland, Texas 79701

Attention: W.R. Huck
(432) 620-8480

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Yates Petroleum Company

OPPONENT'S ATTORNEY

William F. Carr

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval of a cooperative waterflood project
covering Section 2 and the E½ of Section 3, Township 19 South,
Range 30 East, NMPM, and approving the project for the recovered
oil tax rate.

OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES**Erin Dover
(engineer)**EST. TIME**

30 min.

EXHIBITS

Approx. 4

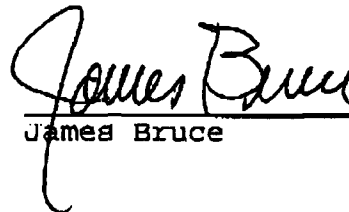
OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

-None-

Respectfully submitted,

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043Attorney for Pecos Production
Company**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 12th day of November, 2004:

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(5050) 983-6043
James Bruce

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

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

**APPLICATION OF PECOS PRODUCTION
COMPANY FOR APPROVAL OF A
COOPERATIVE WATERFLOOD PROJECT
AND TO QUALIFY THE PROJECT FOR THE
RECOVERED OIL TAX RATE, EDDY COUNTY,
NEW MEXICO.**

2009 NOV 12 PM 12 28

CASE NO. 13377

**PRE-HEARING STATEMENT OF
YATES PETROLEUM CORPORATION**

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

APPEARANCES OF PARTIES

APPLICANT:

Pecos Production Company

ATTORNEY:

James G. Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504-1056
(505) 982-2043

OPPOSITION PARTY:

Yates Petroleum Corporation
Attn: David F. Boneau
105 South Fourth Street
Artesia, New Mexico 88210-2118

ATTORNEYS:

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

STATEMENT OF CASE

Yates is the operator of the Benson Deep "AAZ" Well No. 1 located 1890 feet from the North and West Lines of Section 3, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico. This well is located approximately 1/2 miles from a proposed injection well and is completed with no cement across the proposed injection zone. Yates will oppose the application of Pecos Production Company in this case because Yates believes that the proposed waterflood operations pose a threat to Yates well and can result in the waste of hydrocarbons.

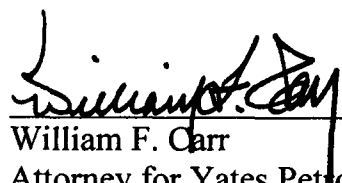
PROPOSED EVIDENCE

OPPOSITION PARTY:

WITNESSES	ESTIMATED TIME	EXHIBITS
David F. Boneau (Petroleum Engineer)	Approximately 15 minutes	Approximately 5

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.




William F. Carr
Attorney for Yates Petroleum
Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of November 2004, I have caused to be hand delivered, or delivered by Facsimile, a copy of this Pre-Hearing Statement to the following counsel of record:

James G. Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504-1056
Attorney for Pride Energy Company



William F. Carr