

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

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

CASE NO. 13398

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

2009 DEC 30 AM 10 39

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
Attention: Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

William F. Carr, Esq.
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Post Office Box 2208
Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the base of the Morrow formation in the following described acreage in Section 17, Township 25 South, Range 26 East, NMPM: N/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Chosa Draw-Morrow Gas Pool, Undesignated Sage Draw-Atoka Gas Pool and the Undesignated Sage Draw-Wolfcamp

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Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Guita "BFL" Com Well No. 1 to be drilled 990 feet from the North line and 1980 feet from the East line of said Section 17 to an approximate depth of 12,000 feet. 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 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles southwest of Carlsbad, New Mexico.

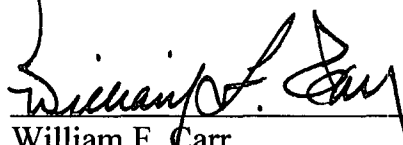
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Susan Vierra (Land)	Approx. 20 Minutes	Approx. 8

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation