

**BEFORE THE NEW MEXICO  
OIL CONSERVATION DIVISION**

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

**APPLICATION OF OWL OIL AND GAS LLC FOR  
APPROVAL OF A SALT WATER DISPOSAL  
WELL, EDDY COUNTY, NEW MEXICO.**

**Case No. 15060**

**PRE-HEARING STATEMENT OF YATES PETROLEUM CORPORATION,  
ABO PETROLEUM CORPORATION, AND MYCO INDUSTRIES, INC.**

Yates Petroleum Corporation, Abo Petroleum Corporation, and Myco Industries, Inc. (collectively "Yates") jointly submit this Pre-Hearing Statement as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Owl Oil and Gas LLC  
2014 Cias Trail Lane  
Spring, TX 77386

**ATTORNEY**

James Bruce, Esq.  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
Phone: (505) 982-2043  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

**OPPONENTS**

Yates Petroleum Corporation  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. Fourth Street  
Artesia, NM 88210-2118

**ATTORNEY**

Gary W. Larson, Esq.  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

Endurance Resources, LLC  
15455 N. Dallas Parkway  
Addison, TX 75001

Ernest L. Padilla, Esq.  
P.O. Box 2523  
Santa Fe, NM 87504  
Phone: (505) 988-7592  
[epadillapl@qwestoffice.net](mailto:epadillapl@qwestoffice.net)

**STATEMENT OF THE CASE**

Applicant Owl Oil and Gas LLC (“Owl”) seeks an order authorizing the disposal of produced water by injection into the Yates-Seven Rivers formation at depths of 670 – 785 feet subsurface in the Myrtle Myra SWD Well No. 3, which is located 1,978 feet from the south line and 1,980 feet from the west line of Section 9, Township 21 South, Range 27 East, NMPM. Yates holds leasehold interests and plans to drill horizontal wells within the Area of Review. Yates opposes Owl’s application on the grounds that the produced water may be injected into the Capitan Reef aquifer and the injection of produced water may adversely impact Yates’ horizontal well drilling program and impair its correlative rights.

**PROPOSED EVIDENCE**

<b><u>WITNESS</u></b>	<b><u>ESTIMATED TIME</u></b>	<b><u>EXHIBITS</u></b>
Charles Moran (Landman)	10 minutes	1
Dave Boneau (Petroleum Engineer)	20 minutes	Approx. 5

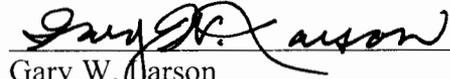
Yates reserves the right to call a rebuttal witness(es) if appropriate.

**PROCEDURAL MATTERS**

Yates is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR &  
MARTIN, LLP



Gary W. Larson  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

*Counsel for Yates Petroleum Corporation, Abo  
Petroleum Corporation and Myco Industries, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on this 2<sup>nd</sup> day of January, 2014, I served a true and correct copy of the foregoing ***Pre-Hearing Statement of Yates Petroleum Corporation, Abo Petroleum Corporation, and Myco Industries, Inc.*** via email to:

James Bruce, Esq.  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

*Counsel for Applicant  
Owl Oil and Gas LLC*

Ernest L. Padilla, Esq.  
Post Office Box 2523  
Santa Fe, NM 87504  
[epadillapl@qwestoffice.net](mailto:epadillapl@qwestoffice.net)

*Counsel for Opponent  
Endurance Resources, LLC*



Gary W. Larson