

**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. 13461

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

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
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ATTORNEY

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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 6, Township 19 South, Range 25 East, NMPM: the E/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 Penasco Draw- Permo Pennsylvanian Gas Pool, Penasco Draw-Morrow Gas Pool, and the Penasco Draw-San

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Andres-Yeso Associated Pool; the SE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Dagger-Draw Upper Pennsylvanian Pool; and the SW/4 SE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Penasco Draw-San Andres-Yeso Associated Pool. Said units are to be dedicated to its Rushing NJ Deep Com Well No. 3 to be drilled 1030 feet from the South line and 1650 feet from the East line (Unit O) of said Section 6 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 10 miles northwest of Lakewood, New Mexico.

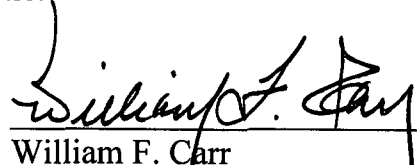
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Susan Vierra (Land)	Approx. 15 Minutes	Approx. 5

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation