

**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:**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR POOL CREATION AND THE
ADOPTION OF SPECIAL POOL RULES, LEA
COUNTY, NEW MEXICO.**

2006 JUN 12 PM 4 02
CASE NO. 13629

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: Robert Bullock
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

William F. Carr, Esq.
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Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant, in the above-styled cause seeks creation of a new pool comprised of the SE/4 of Section 26, Township 10 South, Range 34 East, NMPM, as a result of the discovery of hydrocarbons in the Permo Pennsylvanian formation in its Judson "AUU" State Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 26.

Pre-Hearing Statement
NMOCD Case No. 13629
Page 2

Applicant also seeks the adoption of Special Pool Rules and Regulations for the pool including provisions for 160-acre gas spacing and proration units and special well location requirements. This pool is located approximately 10 miles northwest of Tatum, New Mexico.

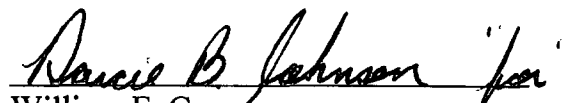
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
David Boneau (Petroleum Engineer)	Approx. 20 Minutes	Approx. 8

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.


William F. Carr
Attorney for Yates Petroleum Corporation