

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

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AUG . 4 2003

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

Oil Conservation Division

CASE NO. 13123

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING AND AN UNORTHODOX
OIL WELL LOCATION, CHAVES 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

Mr. Randy Patterson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748.1471

ATTORNEY

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WFC
8/4/03

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface into the Pre-cambrian formation in the following described spacing and proration units located in the W/2 of Section 6, Township 10 South, Range 25 East, N.M.P.M., Chaves County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4

for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Delhagen "BAJ" Com Well No. 1 to be drilled at a standard gas well location 990 feet from the North line and 1330 feet from the West line (Unit C) of said Section 6. This location will be unorthodox for any formation and/or pool developed on 40-acre oil spacing. 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 charge for risk involved in drilling said well. Said area is located approximately 5 miles east northeast of Roswell, New Mexico.

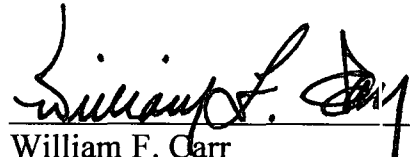
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Chuck Moran (Land)	Approx. 15 Minutes	Approx. 6
Tim Miller (Geology)	Approx. 15 Minutes	Approx. 7
David Boneau (Engineering)	Approx. 10 Minutes	Approx. 3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation