

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

2006 OCT 19 PM 4:26

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

CASE NO. T3802

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
LEA 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. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

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 to the base of the Mississippian formation in the following described spacing and proration units located in the W/2 of Section 33, Township 9 South, Range 34 East, N.M.P.M., Lea County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West 4-X Ranch-

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Mississippian Gas Pool, Undesignated 4-X Ranch Morrow Gas Pool; and the Undesignated 4-X Ranch-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Vada-Upper Pennsylvanian Pool. Said units are to be dedicated to its Womack "BGW" Well No. 1 (API No. 30-025-37206) to be drilled at a standard gas well location 810 feet from the South line and 660 feet from the West line (Unit M) of said Section 33. 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 10 miles west of Crossroads, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

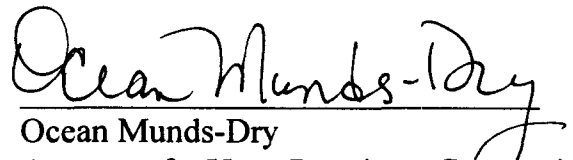
ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Pursuant to Division policy Yates Petroleum Corporation will present this case by Affidavit.


Ocean Munds-Dry
Attorneys for Yates Petroleum Corporation