

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

RECEIVED

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

OCT 7 2003

Oil Conservation Division

CASE NO. 13154

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF NON-STANDARD SPACING AND
PRORATION UNITS, 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

William F. Carr, Esq.
Holland & Hart LLP
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Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order creating a non-standard 365.94-acre spacing and proration unit, for all formations and/or pools developed on 320-acre spacing, comprised of Lots 1 through 4 of in irregular Section 36 of Township 9 1/2 South, Range 24 East, NMPM and the N/2 of irregular Section 1, Township 10 South,

Range 24 East, NMPM: and a non-standard 181.31-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 1 and 2, of irregular Section 36, Township 9 1/2 South, Range 24 East, NMPM, and Lots 1 and 2 and the S/2 NE/4 of irregular Section 1, Township 10 South, Range 24 East, NMPM. Yates proposes to dedicate these non-standard spacing units to its Erma Com Well No. 2 to be drilled at a standard location 660 feet from the North and East lines (Unit A) of said Section 1 to a depth sufficient to test all formations from the surface to the Pre-cambrian formation. These non-standard units are located approximately 4 miles northeast of Roswell, New Mexico.

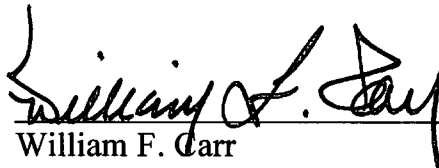
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Chuck Moran (Land)	Approx. 10 minutes	Approx. 2
George Freeman (Engineering)	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation