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

M. S.

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

CASE NO. 13057

APPLICATION OF YATES PETROLEUM CORPORATION FOR AMENDMENT OF THE SPECIAL POOL RULES AND REGULATIONS FOR THE PECOS SLOPE-ABO GAS POOL AND THE WEST PECOS SLOPE-ABO GAS POOL, 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. David Boneau Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748.1471

ATTORNEY

William F. Carr, Esq. Holland & Hart LLP and Campbell & Carr Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order abolishing the requirement in the Special Pool Rules and Regulations of the Pecos Slope–Abo Gas Pool and the West Pecos Slope–Abo Gas Pool that all applications for unorthodox well locations and non-standard spacing units go to hearing. Applicant Yates also requests that the provisions governing applications for administrative applications for

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unorthodox well locations and non-standard spacing and proration units in these pools be amended to conform to the provisions of Rule 104.D(2) and Rule 104.F of the General Rules and Regulations of the Oil Conservation Division. The Pecos Slope-Abo Gas Pool is located in portions of Townships 4 through 11 and Ranges 24 through 27 East and the West Pecos Slope-Abo Gas Pool is located in portions of Townships 5 through 9 South, Ranges 21 through 23 East, NMPM, Chaves County, New Mexico. The Pecos Slope Abo Gas pool is located approximately 4 miles southeast of Fuller, New Mexico. The West Pecos Slope Abo Gas Pool is located approximately 2 miles west of Roswell, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

David Boneau (Petroleum Engineer) Approx. 20 Minutes

Approx. 3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

William F. Carr Attorney for Yates Petroleum Corporation

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