

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

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APR 3 1995

Oil Conservation Division

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

CASE NO. 11235

THE APPLICATION OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO INC. as
required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation

Ernest Carroll, Esq.
P. O. Box 239
Artesia, N.M. 88211-0239
(505) 746-3505

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OPPOSITION

ATTORNEY

Conoco Inc.
10 Desta Drive West
Midland, Texas 79705-4500
Attn: Jerry Hoover
(915) 686-6548

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

OPPONENT:

Conoco, Inc. ("Conoco") is the offsetting operator encroached upon by Yates Petroleum Corporation's ("Yates") Aspden "AOH" Federal Com Well No. 1 which is being drilled at a unorthodox well location only 330 feet from the common boundary between Conoco and Yates.

Conoco requests that the application of Yates be denied because it is not possible to adequately protect the correlative rights of Conoco and its interest owners with a production limitation penalty.

The approval of Yates' application even with a production limitation penalty will crowd wells too close together in this area of the pool resulting in the drilling of unnecessary wells and causing waste.

PROPOSED EVIDENCE

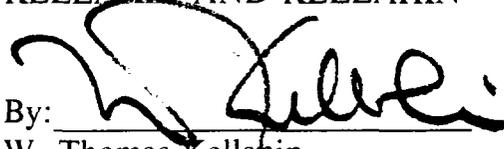
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Bill Hardy (geologist)	45 Min.	est. 4 exhibits
Robert Beamer (petroleum engineer)	45 Min.	est. 4 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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