

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

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

CASE NO. 11671

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 YATES PETROLEUM CORPORATION as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Yates Petroleum Corporation
105 South Fourth Street
Artesia, N.M. 88210
Attn: Mecca Mauritsen
(505) 748-1471

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Yates Petroleum Corporation ("Yates") proposes to drill its Stonewall DD State Com Well No. 3 at an unorthodox gas well location 990 feet FNL and 990 feet FWL of Section 20, T20S, R28E to test for production from the surface to the base of the Morrow formation including but not limited to the Burton Flat Morrow Gas Pool which provides for 320-acre gas spacing and proration units

Yates requests permission to locate this well at an unorthodox gas well location because such a location is the optimum location in the W/2 of said Section 20 at which to drill to test for Morrow gas production.

PROPOSED EVIDENCE

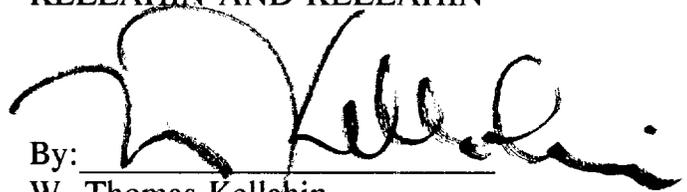
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Mike Hayes (geologist)	30 Min	est. 3

PROCEDURAL MATTERS

None at this time.

KELLAHIN AND KELLAHIN



By: _____
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