

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

311 WEST QUAY AVENUE

P. O. BOX 1720

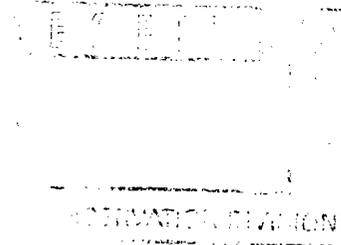
ARTESIA, NEW MEXICO 88211-1720

MARY LYNN BOGLE
ERNEST L. CARROLL
JOEL M. CARSON
DEAN B. CROSS
JAMES E. HAAS
DIANNA L. LUCE
OF COUNSEL
A. J. LOSEE

TELEPHONE
(505) 746-3505

FACSIMILE
(505) 746-6316

January 16, 1998



VIA FACSIMILE AND FIRST CLASS MAIL

Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505-5472

Re: Applications of Yates Petroleum to Drill its Jacque "AQJ" State
Well Nos. 1, 2, 3 and 4, Section 34, Township 21 South, Range
31 East, N.M.P.M., Eddy County, New Mexico, Case Nos.
11913, 11914, 11915 and 11916

Dear Madam:

Enclosed, please find the prehearing statement of Yates Petroleum Corporation for filing in the captioned cause of action.

If you have any questions, please advise.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

A handwritten signature in cursive script that reads 'Ernest L. Carroll'.

Ernest L. Carroll

ELC:kth
Encl.

cc w/encl: Mr. Charles C. High, Jr. (by facsimile)

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

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR A
PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO

CASE NOS. 11913, 11914
11915, 11916

PREHEARING STATEMENT

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P.A.
P. O. Box 1720
Artesia, NM 88211-1720
(505)746-3505

OPPOSITION

Mississippi Potash, Inc.

Charles C. High, Jr.
Jenkins & Gilchrist
1445 Ross Ave., Suite 3200
Dallas, TX 75202-2799
(214)855-4300

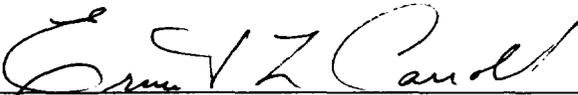
STATEMENT OF CASE

Yates Petroleum Corporation seeks permits to drill its Jacque "AQJ" State Wells No. 1 through 4 in Section 34, Township 21 South, Range 31 East, N.M.P.M., Eddy County New Mexico. Mississippi Potash, Inc. objected to the drilling of said wells. Yates will present evidence that there will be no waste of commercial potash deposits in Section 34; that the proposed wells do not constitute a hazard to the mining of commercial potash in Section 34; and that the proposed wells will not unduly interfere with the mining of commercial potash deposits in Section 34.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	APPROX. # EXHIBITS
Brent May, Geologist	30 min.	4
Dave Pearson, Reservoir Engineer	30 min.	4
Kathy Porter, Landman	15 min.	7
Nelson Muncy, Petroleum and Mining Engineer	30 min.	15
Greg Hazlett, Ph.D, Petroleum Engineer	30 min.	5
Larry Teufel, Ph.D, Geologist	30 min.	5
Gary Hutchinson, Mining Engineer	30 min.	9

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 
Ernest L. Carroll
P.O. Box 1720
Artesia, NM 88211-1720
(505)746-3505

Attorneys for Applicant

I hereby certify that I caused a true and correct copy of the foregoing pleading to be mailed to counsel of record this January 16, 1998.


Ernest L. Carroll

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

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR A
PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO

CASE NOS. 11913 through
11916

AMENDED SUBPOENA DUCES TECUM

TO: Ray Powell, M.S., D.V.M.
Commissioner of Public Lands
Or his Designee
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148

Pursuant to Section 70-2-8, N.M.S.A. (1978) and New Mexico Oil Conservation

Division Rule 1211, YOU ARE HEREBY COMMANDED to appear at the place, day and time specified below and produce for inspection and copying the documents described on the attached Exhibit A.

PLACE

Oil Conservation Division Hearing Room
2040 South Pacheco
Santa Fe, New Mexico 87504

DAY AND TIME

January 30, 1998
At 8:30 a.m.
Examiner Hearing

This subpoena is issued on the applications of Yates Petroleum Corporation, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll), P. O. Box 1720, Artesia, NM 88210, (505)746-3505.

DATED this January 15, 1998.

NEW MEXICO OIL CONSERVATION DIVISION

By: David R. Vitand Sr
Kathleen A. Garland, Acting Director

AMENDED EXHIBIT A

All LMR Maps for the Mississippi Potash, Inc. East Mine, formerly known as New Mexico Potash, particularly those covering Section 34, Township 21 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

All correspondence received by the State Land Office from the New Mexico Oil Conservation Division requesting information or defining data for the LMR Maps of Mississippi Potash, Inc. East Mine, formerly known as New Mexico Potash, as a result of or in connection with the filing of the instant applications of Yates Petroleum Corporation.

All correspondence in the possession of the New Mexico State Land Office between New Mexico Oil Conservation Division and the Bureau of Land Management concerning the proposed location of the Jacque wells with respect to LMR's and buffer zones.