

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. 12473

)0 AUG -9 PH 1: 11

APPLICATION OF HARVEY E. YATES COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT AND UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Harvey E.Yates Company Attn: Melissa Randle P.O. Box 1933 Roswell, NM 88202 (505) 623-6601 William F. Carr and Michael H. Feldewert Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 Pre-hearing Statement NMOCD Case No. 12473 Page 2

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an exception to the Special Pool Rules and Regulations for the McMillan-Morrow Gas Pool for (1) a 318.22 acre non-standard gas spacing and proration unit comprised of Lots 1 and 2, E/2 NW/4, and NE/4 (N/2 equivalent) of Section 7, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) an unorthodox well location 1980 feet from the North line and 660 feet from the West line of said Section 7 for its Turner Federal "7" Deep Well No. 1which it proposes to drill to test the Morrow formation, McMillan-Morrow Gas Pool. Said unit is located approximately 6 miles east of Seven Rivers, New Mexico.

Pre-hearing Statement NMOCD Case No. 12473 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

Vernon Dyre Approx. 15 min. Approx. 5

(Landman)

Gordon Yahney Approx. 10 min. Approx. 3

(Geology)

PROCEDURAL MATTERS

Harvey E. Yates Company has none at this time.

William F. Carr

Michael H. Feldewert

ATTORNEYS FOR HARVEY E. YATES

COMPANY