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CASE NO. 12498

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:

APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX 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

Yates Petroleum Corporation Attn: Dave Pearson 105 South Fourth Street Artesia, New Mexico 88210 (505) 982-1935

ATTORNEY

Michael H. Feldewert, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 Pre-hearing Statement NMOCD Case No. 12498 Page 2

STATEMENT OF CASE

APPLICANT

APPLICANT

Applicant seeks authorization to drill its Chosa "ATR" Federal Well No. 1 (API No. 30-015-31215) to the Morrow formation, Undesignated Chosa Draw-Morrow Gas Pool, at an unorthodox well location 2250 feet from the South line and 1060 feet from the West line (Unit L) of Section 8, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. The W/2 of Section 8 is to be dedicated to said well. Said unit is located approximately 18 miles southwest of Carlsbad, New Mexico.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Janet Richardson Land	Approx. 10 Min.	Approx. 3
Ray Podany Geology	Approx. 10 Min.	Approx. 2

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

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Michael H. Feldewert Attorney for Yates Petroleum Corporation