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. 12570

APPLICATION OF HARVEY E. YATES COMPANY FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT ATTORNEY

Harvey E. Yates Company Michael H. Feldewert, Esq.

Post Office Box 1933 Holland & Hart Roswell, New Mexico 88202 and

Roswell, New Mexico 88202 and (505) 623-6601 Campbell & Carr

Post Office Box 2208
Santa Fe, New Mexico 87504-2208

OPPOSITION OR OTHER PARTY ATTORNEY

N/A

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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the S/2 which includes but is not necessarily limited to the Undesignated North Shugart-Morrow Gas Pool, the Undesignated Cedar Lake-Morrow Gas Pool and the Undesignated Loco Hills-Atoka Gas Pool; in all formations developed on 160-acre spacing in the SE/4; and in all formations developed on 40-acre spacing under the SE/4 SE/4 which includes but is not necessarily limited to the, Undesignated Grayburg-Jackson Pool (Seven Rivers-Queen-Grayburg-San Andres), Undesignated Power Grayburg-San Andres Pool, Undesignated Cedar Lake-Abo Pool, Undesignated North Shugart-Bone Spring Pool, Undesignated Cedar Lake-Cisco Pool, and Undesignated Cedar Lake-Atoka Pool all in of Section 31 Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. Said units are to be dedicated to its Power Deep "31" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the South and East lines of said Section 31to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Harvey E. Yates Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4½ miles east/southeast of Loco Hills, New Mexico.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Vernon Dyer, Landman	10 minutes	Approx. 6
Raymond Reves	10 minutes	Approx. 6

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OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

(Name and expertise)

N/A

PROCEDURAL MATTERS

Harvey E. Yates Company has none at this time.

HOLLAND & HART

and

CAMPBELL & CARR

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Attorneys for Harvey E. Yates Company