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

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

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR POOL CREATION AND THE ADOPTION OF
SPECIAL POOL RULES AND REGULATIONS,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12681

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT
Yates Petroleum Corporation
Attention: Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748.1471

ATTORNEY
William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
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Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant seeks the creation of a new pool for the production of hydrocarbons from the Atoka formation to include the N/2 SW/4 of Section 29, Township 15 South, Range 35 East, NMPM. Applicant also seeks the promulgation of special pool rules and regulations for this pool including provisions for 80-acre spacing and proration units with wells to be located no closer than 330 feet from the quarter-quarter section line of the dedicated spacing unit and an optional second well on each unit with no more than one well located in a single quarter-quarter section. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

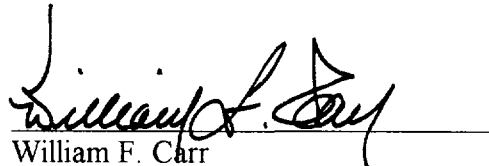
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Ed David (Land)	Approx. 10 Minutes	2
Katy McCamy (Geologist)	Approx. 10 Minutes	2
David Boneau (Pet. Engineer)	Approx. 10 Minutes	3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.


William F. Carr
Attorney for Yates Petroleum Corporation