

STATE OF NEW MEXICO

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**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 GAS WELL LOCATION
CHAVES COUNTY, NEW MEXICO.**

CASE NO. 12832

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

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

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
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STATEMENT OF CASE

APPLICANT

Applicant seeks an exception to the applicable gas well location set-back requirements governing all formations or pools from the surface to the base of the Granite Wash or top of the basement formation for its Pay "AYY" Federal Com. Well No. 1 to be drilled 6660 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 8 South, Range 26 East, to be dedicated to the following described spacing units: (i) the W/2 of Section 11 to form a standard 320-acre stand-up gas spacing unit for all formations or pools developed on 320-acre spacing, which presently includes but is not necessarily limited to the North Four Ranch-Pre Permian Gas Pool; and (ii) the NW/4 to form a standard 160-acre spacing and proration unit for all formations or pools

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developed on 160-acre spacing, which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool. The proposed well location is approximately one mile north of U.S. Highway No. 70 at mile marker No. 357.

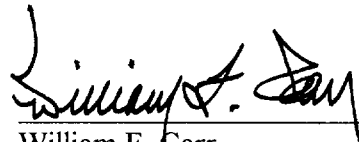
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Chuck Moran (Landman)	Approx. 15 Minutes	7
Tim Miller (Geology)	Approx. 15 Minutes	7

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation