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*NOT LICENSED IN NEW MEXICO

June 3, 1992

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OIL CONSERVATION DIVISION

VIA HAND DELIVERY

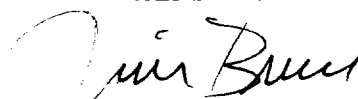
Ms. Florene Davidson
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed for filing are Pre-Hearing Statements in Case Nos.
10,484 and 10,489.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosure

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. 10,489

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

RECEIVED

JUL 07 1992

PRE-HEARING STATEMENT OIL CONSERVATION DIVISION

This pre-hearing statement is submitted by BHP Petroleum (Americas) Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Yates Petroleum Corporation

ATTORNEY

Ernest L. Carroll
Post Office Drawer 239
Artesia, New Mexico 88210
(505) 746-3508

OPPOSITION OR OTHER PARTY

BHP Petroleum (Americas) Inc.
5847 San Felipe, Suite 3600
Houston, Texas 77057
Attention: Steven Mahaney
(713) 780-5451

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OPPOSITION

BHP Petroleum is the oil and gas lessee of the N½ of Section 24, Township 8 South, Range 27 East, and operates the Puffer State No. 1 Well located in the NW¼ of Section 24. BHP Petroleum asserts that the unorthodox location should be denied, or in the alternative, a substantial penalty should be assessed against production from the proposed well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES		EST. TIME	EXHIBITS
1.	_____ (Geologist)	20 minutes	(a) Structure/faulting map.
			(b) Penalty calculations.
2.	_____ (Engineer)	10 minutes	

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for BHP Petroleum (Americas) Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was mailed to Ernest C. Carroll, Post Office Drawer 239, Artesia, New Mexico 88210, this 3rd day of June, 1992, by first-class mail, postage prepaid.



James Bruce

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A.J. LOSEE
—
DEAN B. CROSS
MARY LYNN BOGLE

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

June 5, 1992

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

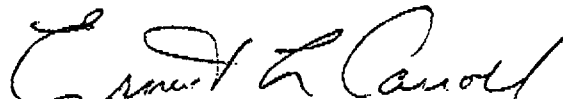
Re: Application of Yates Petroleum Corporation
for an Unorthodox Gas Well Location, Chaves
County, New Mexico, Case No. 10489

Dear Mr. LeMay:

Enclosed please find an original plus three copies of Yates'
Prehearing Statement for filing in the above-referenced matter.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth
Enclosures

cc James Bruce w/encl.

**BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO**

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN : CASE NO. 10489
UNORTHODOX GAS WELL LOCATION, CHAVES :
COUNTY, NEW MEXICO :
_____:

PRE-HEARING STATEMENT

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210
(505)748-1471

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505)746-3505

OPPOSITION OR OTHER PARTY

BHP Petroleum (Americas) Inc.
5847 San Felipe, Suite 3600
Houston, Texas 77057
Attn: Steven Mahaney
(713)780-5451

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
P. O. Box 2068
Santa Fe, New Mexico 87504-2068
(505)982-4554

STATEMENT OF CASE

APPLICANT

Applicant is the operator of the Precambrian formation underlying:

Township 8 South, Range 27 East, N.M.P.M.
Section 13: S/2

and proposes to drill its Manlad "AK4" State No. 2 well at a point located 330' from the South line and 1,225' from the West line of said Section 13. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) of the Oil Conservation Division to permit the drilling of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Precambrian formation (6,900').

OPPOSITION OR OTHER PARTY

See Prehearing Statement of BHP Petroleum (Americas) Inc.

PROPOSED EVIDENCE**APPLICANT**

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Rob Bullock, Landman	10 mins.	3 Estimated
Dave Boneau, Engineer	20 mins.	5 Estimated
Leslie Bentz, Geologist	10 mins.	3 Estimated

OPPOSITION

Unknown

YATES PETROLEUM CORPORATIONBy: 

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505)746-3505

Attorneys for Yates Petroleum
Corporation

EXHIBIT "A"**OFFSET OPERATOR****STATUS**

Collins & Ware, Inc.
303 West Wall Avenue, Suite 2200
Midland, Texas 79701

Opposition Waived

BHP Petroleum (Americas) Inc.
5847 San Felipe, Suite 3600
Houston, TX 77057

Opposition Offered

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P.A.

CONYTT L. CARROLL

390 YATES PETROLEUM BUILDING

A.J. LOSEE

COLUMBIA HEIGHTS, MINN 55101

DEAN S. CROSS

MARY LIND GULLE

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ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

42

LAW OFFICES
LOSEE, CARSON, HAAS & CARROLL, P.A.
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P. O. DRAWER 239
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OIL CONSERVATION DIVISION
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(505) 746-6316

June 5, 1992

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

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Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth
Enclosures

xc James Bruce w/encl.

**BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO**

RECEIVED

JUN 10 1982

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR AN : CASE NO. 10489
UNORTHODOX GAS WELL LOCATION, CHAVES :
COUNTY, NEW MEXICO :
_____ :

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APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210
(505)748-1471

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505)746-3505

OPPOSITION OR OTHER PARTY

BHP Petroleum (Americas) Inc.
5847 San Felipe, Suite 3600
Houston, Texas 77057
Attn: Steven Mahaney
(713)780-5451

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
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PROPOSED EVIDENCE

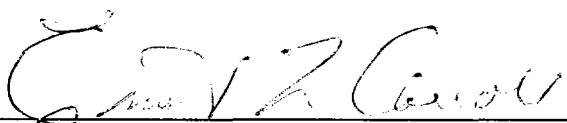
APPLICANT

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OPPOSITION

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YATES PETROLEUM CORPORATION

By: 
Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3505

Attorneys for Yates Petroleum
Corporation

EXHIBIT "A"

OFFSET OPERATOR

STATUS

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