

TUE 13:47 DICKERSON, FISK, EYER  
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. 10014

THE APPLICATION OF YATES PETROLEUM  
CORPORATION FOR DIRECTIONAL DRILLING  
AND AN UNORTHODOX LOCATION, EDDY  
COUNTY, NEW MEXICO

PREHEARING STATEMENT

This prehearing statement is submitted by David R. Vandiver of Fisk & Vandiver, attorneys for Yates Petroleum Corporation, as required by the Oil Conservation Division.

APPEARANCES BY PARTIES

APPLICANT

(name, address, phone and contact person)

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
(505) 748-1471  
Attention: Janet Richardson

ATTORNEY

David R. Vandiver  
Fisk & Vandiver  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

OPPOSITION OR OTHER PARTY

(name, address, phone and contact person)

ATTORNEY

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## STATEMENT OF CASE

### APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefor.)

E/2 and E/2 NW/4 Section 22, Township 20 South, Range 29 East, N.M.P.M., are within The Potash Area established by Oil Conservation Commission Order No. R-111-P. United States Oil and Gas Lease NM 81929, embracing all of Section 22, and other lands, contains a stipulation prohibiting surface occupancy of Section 22. Yates Petroleum Corporation seeks to directionally drill its Gazelle "AHG" Federal No. 2 Well from the surface location set forth in the Application to the target locations in the Strawn and Morrow formations set forth in the Application in order to enable Yates to produce the reserves underlying N/2 Section 22.

### OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

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**PROPOSED EVIDENCE**

**APPLICANT**

<u>WITNESSES</u>		<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>Name</u>	<u>Expertise</u>		
Janet Richardson	Landman	20 mins.	Plat Oil and Gas Lease NM 81929 Application for Per- mit to Drill Affidavits of Mailing
Al Springer	Engineer	20 mins.	Vertical section and plane view of the proposed Gazelle "AHG" Federal No. 2 Well

**OPPOSITION**

<u>WITNESSES</u>		<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>Name</u>	<u>Expertise</u>		

**PROCEDURAL MATTERS**

(Please identify any procedural matters which  
need to be resolved prior to the hearing)

NONE

YATES PETROLEUM CORPORATION

By: David R. Vandiver

David R. Vandiver

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Seventh and Mahone, Suite B  
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(505) 746-9841

Attorneys for Applicant