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

TELEPHONE  
(505) 746-3505  
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March 12, 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

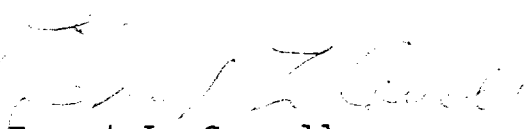
Re: Applications of Yates Petroleum  
Corporation for the Creation of a  
Special Pool Rule for the East Lusk  
Delaware Pool in Lea County, New  
Mexico, Case No. 10451

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Yates  
Petroleum's Pre-hearing Statement in the above-referenced  
Application.

Yours truly,

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

  
Ernest L. Carroll

ELC:bjk  
Enclosures

cc w/encl: Mr. Randy Patterson

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

RECEIVED

IN THE MATTER OF THE APPLICATION )  
OF YATES PETROLEUM CORPORATION )  
FOR THE CREATION OF A SPECIAL POOL )  
RULE FOR THE EAST LUSK DELAWARE )  
POOL IN LEA COUNTY, NEW MEXICO )

OIL CONSERVATION DIVISION

CASE NO. 10451

**PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

**APPLICANT**

**ATTORNEY**

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

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**

**ATTORNEY**

See attached Exhibit "A"

No attorneys are known

**STATEMENT OF CASE**

**APPLICANT**

Applicant is the operator of the Delaware formation at the following locations in Section 35, Township 19 South, Range 32 East, Lea County, New Mexico, upon which it has drilled or is in the process of drilling the indicated wells:

Lusk "AHB" Federal No. 2	1930' FNL 1650' FEL, Unit G
Lusk "AHB" Federal No. 5	330' FNL 1980' FEL, Unit B
Lusk "AHB" Federal No. 3	2310' FSL 1650' FEL, Unit J

(This well is presently drilling)

Applicant seeks the creation of a special pool rule for the East Lusk Delaware pool to provide that the depth bracket allowable per statewide rule 505(A) be amended to create an allowable based on the deepest Delaware formation perforation rather than the shallowest perforation as called for in said statewide rule.

**OPPOSITION OR OTHER PARTY**

See attached Exhibit "A", which sets out the offset operators and their status as we know it in regard to this matter.

**PROPOSED EVIDENCE**

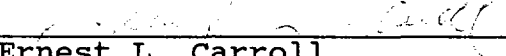
APPLICANT

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

OPPOSITION

Unknown

**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

Meridian Oil, Inc. P. O. Box 51810 Midland, TX 79710-1810	Opposition Waived
Anadarko Petroleum Corporation P. O. Box 2497 Midland, TX 79702	Unknown
Oryx Energy Company P. O. Box 2880 Dallas, TX 75221-2880	Unknown
Lanexco, Inc. P. O. Box 2730 Midland, TX 79702	Opposition Waived
Manzano Oil Corporation P. O. Box 2107 Roswell, NM 88202	Opposition Waived
Grace Petroleum Corporation 6501 N. Broadway Oklahoma City, OK 73116	Opposition Waived
Union Texas Petroleum P. O. Box 2120 Houston, TX 77252-2120	Unknown
Unocal Corporation P. O. Box 3100 Midland, TX 79702	Unknown
Mitchell Energy Corporation 400 W. Illinois 1000 Independence Plaza Midland, TX 79701	Unknown
Fina Oil & Chemical Company 6 Desta Drive, Suite 4400 Midland, TX 79705	Unknown
Oxy USA, Inc. Box 50250 Midland, TX 79710	Unknown
Bass Enterprises Production Company 3100 First City Bank Tower 201 Main St. Ft. Worth, TX 76102	Opposition Waived
Texaco, USA P. O. Box 2100 Denver, CO 80201	Unknown