

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

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APR 17 1995

Oil Conservation Division

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

APPLICATION OF NEARBURG EXPLORATION
CORPORATION FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11265

APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11263

CONSOLIDATED
PRE-HEARING STATEMENT

This pre-hearing statement is submitted by NEARBURG
EXPLORATION CORPORATION, as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT IN CASE 11265
OPPONENT IN CASE 11263

ATTORNEY

Nearburg Exploration Company
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
attn: Bob Shelton

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
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OPPONENT IN CASE 11265
APPLICANT IN CASE 11263

ATTORNEY

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Yates Petroleum Corporation

Ernest L. Carroll, Esq
P. O. Drawer 239
Artesia, N.M. 88211
(505) 746-3505

APR 17 1995

Oil Conservation Division

STATEMENT OF CASE

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this NE/4 of Section 21, T19S, R25E, Nearburg Exploration Company needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

Nearburg requests an order pooling the mineral interest of described in this spacing unit for the drilling of its Alto "21" Well No. 1 at a standard well location (Unit A) for potential production from the North Dagger Draw-Upper Pennsylvanian Pool upon terms and conditions which include:

- (1) Nearburg Producing Company be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) For such other and further relief as may be proper.

PROPOSED EVIDENCE

APPLICANT in Case 11265:

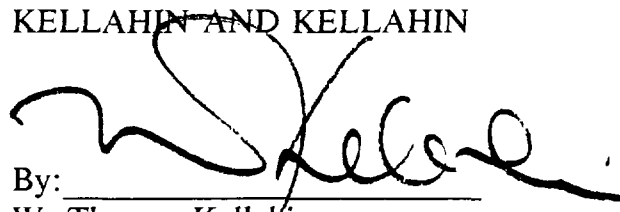
WITNESSES	EST. TIME	EXHIBITS
Joe Fitzgerald (landman)	20 min.	@ 6 exhibits
Jerry Elger (geologist)	45 Min.	@ 4 exhibits
Tim McDonald (petroleum engineer)	45 Min.	@ 4 exhibits

PROCEDURAL MATTERS

Consolidation of Cases 11265 and 11263.

Request by Nearburg to continue these cases to the June 1, 1995 Examiner's docket so that Nearburg will have an opportunity to review the data requested from Yates to be produced on April 20, 1995.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

OIL CONSERVATION DIVISION
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LAW OFFICES

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

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April 13, 1995

Ans. 11263

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

Re: Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, New
Mexico/Ross EG Fed. Com #14

Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, New
Mexico/Fairchild #2 Well

Dear Mr. LeMay:

I am enclosing herewith Yates Petroleum Corporation's
Consolidated Prehearing Statements, in triplicate, for filing in
the above-referenced and corresponding cases. Please return the
copies to me for my files.

Thank you very much.

Very truly yours,

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

Ernest L. Carroll

Ernest L. Carroll

ELC:kth
Encl.

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

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 11263

IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 11265

CONSOLIDATED PREHEARING STATEMENT

This prehearing statement is submitted in both of the above captioned opposing applications by YATES PETROLEUM CORPORATION as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation

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Nearburg Exploration Company

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265
(505) 982-4285

STATEMENT OF CASE

Both applicants seek an order pooling all mineral interests from the surface to the base of the Canyon formation, North Dagger Draw-Upper Pennsylvanian Pool underlying the NE/4 of Section 21, Township 19 South, Range 25 East, N.M.P.M., forming a standard 160-acre spacing and proration unit.

PROPOSED EVIDENCE

YATES PETROLEUM CORPORATION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Doug Hurlbut, Land	30	5
Brent May, Geology	30	4
Bob Fant, Engineering	30	6

Respectfully submitted,

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

By: 

Ernest L. Carroll

P. O. Box 1720

Artesia, New Mexico 88211-1720

(505) 746-3505

Attorneys for Yates Petroleum Corporation

I hereby certify that I caused to be
mailed a true and correct copy of the
foregoing to all counsel of record
this April 13, 1995.


Ernest L. Carroll