

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

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

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF
A NON-STANDARD OIL SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO**

Case No. 14776

**YATES PETROLEUM CORPORATION'S
AMENDED PRE-HEARING STATEMENT**

Yates Petroleum Corporation ("Yates") submits its Amended Pre-Hearing Statement.

APPEARANCES

Yates is the applicant in this case. Its business address is 105 S. Fourth Street, Artesia, New Mexico 88210-2118. Yates is represented by the undersigned counsel.

STATEMENT OF THE CASE

Yates' application seeks approval of a non-standard 80-acre oil spacing and proration unit in the Salt Lake-Delaware pool, comprising the SE/4 NE/4 and NE/4 SE/4 of Section 14, Township 20 South, Range 32 East, NMPM in Lea County. The location is approximately thirty (30) miles west of Hobbs. The proposed non-standard oil spacing and proration unit will be dedicated to Yates' Belco "AIA" Federal No. 5 directional well.

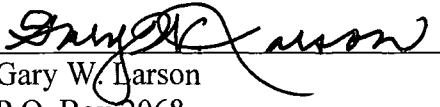
PROPOSED EVIDENCE

Yates will present an affidavit by landman Kevin Klein and testimony by geologist Raymond Podany, which will take approximately 15 minutes.

PROCEDURAL MATTERS

There are no procedural matters to be resolved prior to the hearing.

HINKLE, HENSLEY, SHANOR &
MARTIN, LLP


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