

**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
PRE-HEARING STATEMENT**

Yates Petroleum Corporation ("Yates") submits its Pre-Hearing Statement as required by the Oil Conservation Division.

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 horizontal well.

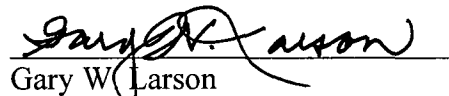
PROPOSED EVIDENCE

Yates will present its case by affidavit.

PROCEDURAL MATTERS

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

HINKLE, HENSLEY, SHANOR &
MARTIN, LLP

A handwritten signature in black ink, appearing to read "Gary W. Larson", is written over a horizontal line.

Gary W. Larson

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