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

2015 JUL -2 P 4: 06.

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 UNIT AGREEMENT, LEA COUNTY, NEW MEXICO

Case No. 15342

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 the Tomorrow State Exploratory Unit for all formations from the surface to the base of the Wolfcamp formation in an area comprising 1,920.76 acres, more or less, of State of New Mexico land. The proposed unit is comprised of all of Sections 35 and 36, Township 23 South, Range 35 East and all of Section 2, Township 24 South, Range 35 East, NMPM and is located approximately ten (10) miles northwest of Jal, New Mexico.

PROPOSED EVIDENCE

Yates will present its case by affidavit.

PROCEDURAL MATTERS

Yates is not aware of any procedural matters to be resolved prior to the hearing.

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