

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

**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. 13591

RECEIVED

NOV 10 2005

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Mr. Robert Bullock

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

Ocean Munds-Dry, Esq.
William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Milsap State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 2240 acres of State of New Mexico lands in Sections 25 and 36 in Township 12 South, Range 33

East, and Section 31 in Township 12 South, Range 34 East, NMPM which is located approximately 10 miles west of Tatum, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

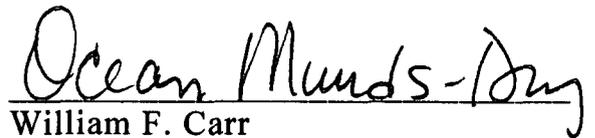
ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Pursuant to Division policy Yates Petroleum Corporation will present this case by Affidavit.



William F. Carr

Ocean Munds-Dry

Attorneys for Yates Petroleum
Corporation