

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

2006 FEB 9 PM 3

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

CASE NO. 1364

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

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

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

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from
the surface to the base of the Mississippian formation in the following described spacing and
proration units located in the S/2 of Section 6, Township 13 South, Range 35 East,
N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on
320-acre spacing; the SE/4 for all formations and/or pools developed on 160-acre spacing

which includes but is not necessarily limited to the East Ranger Lake Devonian Gas Pool and the East Ranger Lake-Atoka Gas Pool; and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Undesignated East Ranger Lake-Cisco Pool. Said units are to be dedicated to its Messina "BHN" State Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles east of Lovington, New Mexico.

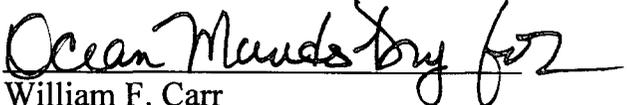
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
John Amiet (Petroleum Geologist)	Approx. 20 Minutes	Approx. 8

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.


William F. Carr
Attorney for Yates Petroleum Corporation