

**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:**

CASE NO. 13968

**APPLICATION OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF NON-STANDARD SPACING AND
PRORATION UNITS, CHAVES 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

Mr. Randy Patterson
Yates Petroleum Corporation
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

**RECEIVED
2007 AUG 2 PM 3:00**

29/2/08 JSM

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order creating a non-standard 184.63-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 3 and 4 of in irregular Section 36 of Township 9 1/2 South, Range 24 East, NMPM and Lots 3 and 4 and the S/2 NW/4 of irregular Section 1,

Pre-Hearing Statement
NMOCD Case No. 13968
Page 2

Township 10 South, Range 24 East, NMPM: and a non-standard 52.06-acre spacing and proration unit, for all formations and/or pools developed on 40-acre spacing, comprised of Lot 3, of irregular Section 36, Township 9 1/2 South, Range 24 East, NMPM, and Lot 3 of irregular Section 1, Township 10 South, Range 24 East, NMPM. Yates proposes to dedicate these non-standard spacing units to its Erma Com Well No. 3 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line to an approximate depth of 4774 feet. These non-standard units are located approximately 12 miles northeast of Roswell, New Mexico.

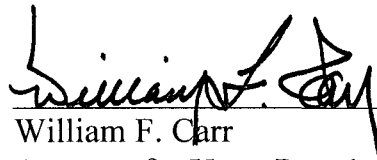
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and Expertise) | ESTIMATED TIME | EXHIBITS |
|---|-----------------------|-----------------|
| Chuck Moran (Land) | Approx. 10 minutes | Approx. 2 |
| George Freeman (Engineering) – may call | Approx. 10 minutes | Approx. 3 |

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation