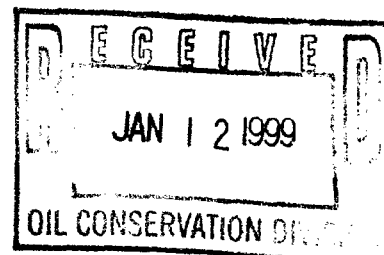


PEGASUS PLACE  
125 WEST FOURTH STREET  
POST OFFICE BOX 298  
ROSWELL, N.M. 88202-0298

**Phil Brewer**  
ATTORNEY & COUNSELOR

TELEPHONE: 505-625-0298  
FACSIMILE: 505-625-0299  
E-MAIL: pbrewer@pegasusplace.com

January 7, 1999



Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87505

*MS Case 12037*

RE: Application of Yates Petroleum Corporation for  
Special Pool Rules or, in the Alternative, for Simultaneous  
Dedication, Lea County, New Mexico

Gentlemen:

Enclosed please find an original and one copy of Ameristate Oil and Gas  
Inc.'s Pre-hearing Statement to be filed in the captioned matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ellen Harper".

Ellen Harper  
Paralegal to Phil Brewer

Encl.