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

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR SPECIAL POOL RULES OR,
IN THE ALTERNATIVE, FOR
SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE NO.12037 PH 3: 1

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by Ameristate Oil and Gas, Inc.

as required by the Oil Conservation Division.

Appearances of Parties

OTHER PARTY:

ATTORNEY

Ameristate Oil and Gas, Inc. 1211 W. Texas Midland, TX 79701 (915) 683-6679 Mark Nearburg, President Phil Brewer PO Box 298

Roswell, NM 88202-0298

(505) 625-0298

Statement of Case

OTHER PARTY:

Ameristate does not oppose the granting of a specific exception to the North Shoe Bar-Atoka Gas Pool rules in favor of Applicant allowing a second gas well on each 320 acre spacing or proration unit. Ameristate does

oppose the expansion/contraction of this pool.

Proposed Evidence

OTHER PARTY:

Witnesses	Est. Time	<u>Exhibits</u>
Louis Mazzullo Geology	20 min.	Unknown at present
Mark Nearburg Land	10 min.	Unknown at present
Tom Beall Engineering	20 min.	Unknown at present

Procedural Matters

None.

PHIL BREWER

PO Box 298

Roswell, NM 88202-0298

(505) 625-0298

Attorney for Ameristate Oil and Gas, Inc.