

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. 10135

THE APPLICATION OF YATES PETROLEUM  
CORPORATION FOR APPROVAL OF A UNIT  
AGREEMENT, HOURGLASS STATE UNIT  
AREA, LEA COUNTY, NEW MEXICO

PREHEARING STATEMENT

This prehearing statement is submitted by David R. Vandiver of Fisk & Vandiver, attorneys for Yates Petroleum Corporation, as required by the Oil Conservation Division.

APPEARANCES BY PARTIES

APPLICANT

(name, address, phone and contact person)

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

ATTORNEY

David R. Vandiver  
Fisk & Vandiver  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

OPPOSITION OR OTHER PARTY

(name, address, phone and contact person)

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefor.)

Yates Petroleum Corporation desires to establish an exploratory unit known as the Hourglass State Unit embracing the following lands in Lea County, New Mexico:

Township 18 South, Range 35 East, N.M.P.M.

Section 9: SE/4 SE/4  
Section 10: S/2  
Section 15: NW/4 NW/4  
Section 16: NE/4

containing 560 acres, more or less,

in order to enable Yates Petroleum Corporation to more efficiently and effectively explore for hydrocarbons underlying said lands.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>		<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>Name</u>	<u>Expertise</u>		
Mike Burch	Landman	20 mins.	Unit Agreement
Brent May	Geologist	20 mins.	Operating Agreement
			Geological Explanation
			Structural Cross- Section A-A' (Bone Spring Interval)
			Structure Map (top of Second Bone Spring Sand)
			Isolith Map (Net Clean Carbonate)
			Copy of application to the Commissioner of Public Lands for preliminary approval of the unit

OPPOSITION

<u>WITNESSES</u>		<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>Name</u>	<u>Expertise</u>		

PROCEDURAL MATTERS

(Please identify any procedural matters which  
need to be resolved prior to the hearing)

NONE

YATES PETROLEUM CORPORATION

By: 

David R. Vandiver

FISK & VANDIVER  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant