

**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:**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF A UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.**

W.S.
OIL CONSERVATION DIVISION
01 APR 16 PM 3:56
CASE NO. 12640

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT
Yates Petroleum Corporation
Attention: Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748.1471

ATTORNEY
William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
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STATEMENT OF CASE

APPLICANT

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Nonombre State Exploratory Unit for an area comprising 2,560 acres of State of New Mexico lands in Sections 29, 30, 31 and 32 of Township 13 South, Range 34 East, NMPM which is located approximately 8 miles west of McDonald, New Mexico.

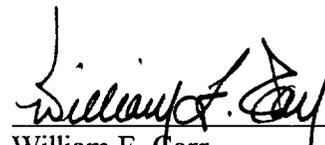
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and Expertise) | ESTIMATED TIME | EXHIBITS |
|-----------------------------------|--------------------|----------|
| Reed Meek (Geologist) | Approx. 10 Minutes | 5 |
| David Boneau (Pet. Engineer) | Approx. 10 Minutes | 3 |

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation