

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

*Case No. 13018*

**APPLICANT'S PRE-HEARING STATEMENT**

Applicant hereby submits this Pre-Hearing Statement as required by the rules of  
the New Mexico Oil Conservation Division.

**RECEIVED**

MAR 7 2003

**APPEARANCES**

Oil Conservation Division

APPLICANT

ATTORNEY

Yates Petroleum Corporation

Michael H. Feldewert, Esq.  
Holland & Hart, LLP  
P. O. Box 2208  
Santa Fe, NM 87504-2208  
505/988-4421

OPPONENT

OPPONENT'S ATTORNEY

None

None

**APPLICANT'S STATEMENT OF CASE**

Applicant seeks approval for the proposed Arley Federal Exploratory Unit, a voluntary unit consisting of approximately 2960.97 acres of Federal and fee lands in Eddy County, New Mexico. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved. Yates seeks to be designated unit operator. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations, and Applicant expects to have an approval letter from the BLM prior to hearing.

**APPLICANT'S PROPOSED EVIDENCE**

| WITNESS<br>(Name and Expertise) | ESTIMATED TIME     | EXHIBITS   |
|---------------------------------|--------------------|------------|
| John Humphrey, Geologist        | Approx. 15 minutes | Approx. 10 |

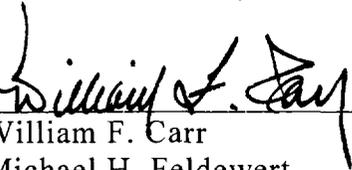
**PROCEDURAL MATTERS**

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: \_\_\_\_\_

  
William F. Carr

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Attorneys for Yates Petroleum Corporation

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