

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

2012 FEB -9 P 2:18

**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 NON-STANDARD OIL SPACING AND  
PRORATION UNIT, LEA COUNTY, NEW MEXICO**

**Case No. 14776**

**YATES PETROLEUM CORPORATION'S  
AMENDED PRE-HEARING STATEMENT**

Yates Petroleum Corporation ("Yates") submits its Amended Pre-Hearing Statement.

**APPEARANCES**

Yates is the applicant in this case. Its business address is 105 S. Fourth Street, Artesia, New Mexico 88210-2118. Yates is represented by the undersigned counsel.

**STATEMENT OF THE CASE**

Yates' application seeks approval of a non-standard 80-acre oil spacing and proration unit in the Salt Lake-Delaware pool, comprising the SE/4 NE/4 and NE/4 SE/4 of Section 14, Township 20 South, Range 32 East, NMPM in Lea County. The location is approximately thirty (30) miles west of Hobbs. The proposed non-standard oil spacing and proration unit will be dedicated to Yates' Belco "AIA" Federal No. 5 directional well.

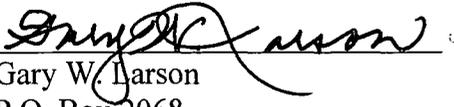
**PROPOSED EVIDENCE**

Yates will present an affidavit by landman Kevin Klein and testimony by geologist Raymond Podany, which will take approximately 15 minutes.

**PROCEDURAL MATTERS**

There are no procedural matters to be resolved prior to the hearing.

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