

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

RECEIVED OOD  
2012 JAN 12 P 4: 32

**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  
PRE-HEARING STATEMENT**

Yates Petroleum Corporation ("Yates") submits its Pre-Hearing Statement as required by the Oil Conservation Division.

**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 horizontal well.

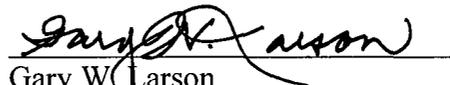
**PROPOSED EVIDENCE**

Yates will present its case by affidavit.

**PROCEDURAL MATTERS**

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

HINKLE, HENSLEY, SHANOR &  
MARTIN, LLP

A handwritten signature in black ink, appearing to read "Gary W. Larson", is written over a horizontal line.

Gary W. Larson  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

*Counsel for Yates Petroleum Corporation*