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

RECEIVED

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

NOV 3 2003

Oil Conservation Division CASE NO. 13181

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement as required by the rules of the New

Mexico Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u>

<u>ATTORNEY</u>

Yates Petroleum Corporation

None

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

OPPONENT

OPPONENT'S ATTORNEY

None

APPLICANT'S STATEMENT OF CASE

Applicant seeks approval for the proposed Cash State Exploratory Unit, a voluntary unit consisting of approximately 7,117 acres of State lands and 40 acres of fee lands in Lea 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

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provide effective control of unit operations, and Applicant expects to have an approval letter from the New Mexico State Land office prior to hearing.

APPLICANT'S PROPOSED EVIDENCE

WITNESS (Name and Expertise

John Amiet, Geologist

Approx. 15 minutes

ESTIMATED TIME

EXHIBITS Approx. 6

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: Jen

Michael H. Feldewert P.O. Box 2208 Santa Fe, NM 87504-2208 505/988-4421 Attorneys for Yates Petroleum Corporation

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