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

DEC 30 2003

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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

CASE NO. 13200

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

APPLICANT

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748.1471

ATTORNEY

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

APPLICANT'S STATEMENT OF CASE

Applicant seeks approval for its proposed Reba State Exploratory Unit, a voluntary unit consisting of approximately 3,520 acres of State of New Mexico 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 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

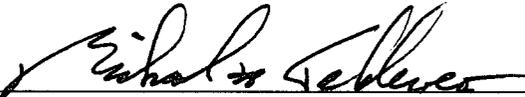
WITNESS (Name and Expertise)	ESTIMATED TIME	EXHIBITS
John Amiet, Geologist	Approx. 5 minutes	Yates expects to present this case by affidavit.

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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Attorneys for Yates Petroleum Corporation