

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

2011 FEB 24 P 4: 21

**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 UNIT AGREEMENT, LEA COUNTY,
NEW MEXICO**

Case No. 14610

**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 the Gambler State Exploratory Unit for all formations from the surface to the base of the Mississippian formation in an area comprising 1,920 acres, more or less, of State of New Mexico land. The proposed unit is comprised of the W/2 of Section 28, all of Sections 29 and 32, and the W/2 of Section 33 of Township 11 South, Range 32 East, NMPM and is located approximately twenty-three (23) miles northwest of Tatum, New Mexico.

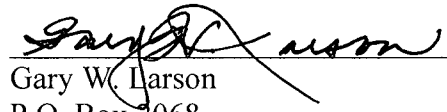
PROPOSED EVIDENCE

Yates will present its case by affidavit.

PROCEDURAL MATTERS

Yates is not aware of any 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

Counsel for Yates Petroleum Corporation