

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 10293

APPLICATION OF

YATES PETROLEUM CORPORATION  
SEEKING APPROVAL OF THE SCRATCHY RANCH STATE  
EXPLORATORY UNIT AGREEMENT

PRE-HEARING STATEMENT

This Pre-hearing Statement is presented by Yates Petroleum Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT:

YATES PETROLEUM CORPORATION  
104 South Fourth Street  
Artesia, New Mexico 88201

Mr. Robert Bullock, Landman

Mr. Sylvester H. Fly, Geologist

ATTORNEY:

Mr. Damon Richards  
SANDERS, BRUIN, COLL &  
WORLEY, P.A.  
P. O. Box 550  
Roswell, New Mexico 88201

OPPOSITION OR OTHER PARTIES:

Unknown

ATTORNEY:

Unknown

STATEMENT OF CASE

APPLICANT:

YATES PETROLEUM CORPORATION requests approval of the Scratchy Ranch State Unit comprised of Sections 13, 14, 23,

24, 25, 26, 35, 36, Township 15 South, Range 32 East, N.M.P.M., Lea County, New Mexico to be comprised of 5,120.00 acres, more or less, all of which is State Land. Yates Petroleum Corporation is designated as Unit Operator. The Geological Report shows that the Unit Area covers all, or substantially all of the geological features involved as to the prospective productive formations, and applicant believes that if said Unit Agreement is approved and production is obtained, the Unit Agreement will give effective control of the producing field or area. Applicant believes that said Unit Agreement will tend to promote the conservation of oil and gas, will protect correlative rights, and promote better utilization of reservoir energy.

OPPOSITION OR OTHER PARTY:

UNKNOWN

PROPOSED EVIDENCE

APPLICANT:

WITNESS: Robert Bullock, Landman

ESTIMATED TIME: Ten (10) minutes

EXHIBITS: "A" - Unit Operating Agreement for the development and operation of the Scratchy Ranch State Unit.

"B" - Scratchy Ranch State Unit Operating Agreement.

WITNESS: Sylvester F. Fly, Geologist

ESTIMATED TIME: Fifteen (15) minutes

Exhibits: "C" - Geological Report

"D" - Stratigraphic Cross Section

"E" - Isopach Map

"F" - Structure Map

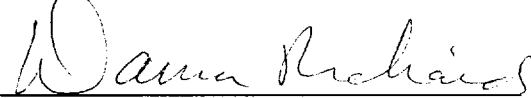
OPPOSITION:

UNKNOWN

PROCEDURAL MATTERS

Not Applicable

YATES PETROLEUM CORPORATION

By:   
Damon Richards  
Attorney at Law

dr/o&g/unit03