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

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT LEA COUNTY, NEW MEXICO

CASE NO. 13298

ENTRY OF APPEARANCE

Comes now DAVID H. ARRINGTON OIL & GAS, INC. by and through its undersigned attorneys, MILLER STRATVERT P.A., and hereby enters its appearance in the above cause.

MILLER STRATVERT P.A.

By:

J. Scott Hall

Attorneys for David H. Arrington Oil & Gas, Inc.

7. I way tall

Post Office Box 1986

Santa Fe, New Mexico 87504-1986

(505) 989-9614

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 30th day of June, 2004, as follows:

> William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 Facsimile:

(505)983-6043

J. Scott Hall

STATE OF NEW MEXICO 2 PM 3 20 DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

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CASE NO. 13298

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of David H. Arrington Oil and Gas, Inc., as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

APPLICANT

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 Yates Petroleum Corporation

OPPONENT'S ATTORNEY

OPPONENT

J. Scott Hall, Esq. Miller Stratvert P.A. Post Office Box 1986 Santa Fe, New Mexico 87504 David H. Arrington Oil & Gas, Inc.

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving the Boddington Federal Exploratory Unit for all formations from the surface to the top of the Mississippian formation in an area comprising 3200 acres, more or less, of Federal and Fee lands in Sections 5, 8, 9, and 17 of Township 20 South, Range 23 East.

OPPOSITION OR OTHER PARTY

Arrington is the owner of certain oil and gas leasehold working interests located within the boundaries of the proposed 3,200-acre Boddington Federal Exploratory Unit that is the subject of the Application in this matter.

Arrington is attempting to evaluate the unit proposal, but has not been provided with sufficient information by the Applicant to determine whether it supports or opposes the Application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME NO. OF EXHIBITS

OPPOSITION

WITNESSES EST. TIME NO. OF EXHIBITS

Bill Baker 15 minutes 1

PROCEDURAL MATTERS

None.

MILLER STRATVERT P.A.

By:

J. Scott Hall, Esq. Post Office Box 1986 Santa Fe, New Mexico 87504 (505) 989-9614

Attorneys for David H. Arrington Oil and Gas, Inc.

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 2nd day of July, 2004, as follows:

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J. Scott Hall