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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 4 49

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

CASE NO. 13388

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

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mr. Randy Patterson Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748-1471

ATTORNEY

Ocean Munds-Dry, Esq. William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

STATEMENT OF CASE

<u>APPLICANT</u>

Applicant seeks approval of the Azure State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 2220.03 acres of State of New Mexico lands in Sections 17, 18, 19 and 20, Township 12 South, Range 35 East, NMPM, which is located approximately 6 miles west of Tatum, New Mexico.

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PROPOSED EVIDENCE

APPLICANT

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WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Pursuant to Division policy Yates Petroleum Corporation will present this case by Affidavit.

William F. CarrOcean Munds-DryAttorneys for Yates Petroleum Corporation

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