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:

APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, CHAVES 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

ATTORNEY

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

APPLICANT

Applicant seeks approval of the Leanin L Federal Exploratory Unit from the top of the Queen formation to the base of the Chester Lime in an area comprising 2640 acres of Federal lands in Sections 3, 8, 9, 10 and 17, Township 15 South, Range 29 East, NMPM which is

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located approximately 20 miles east of Lake Arthur, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

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

Mude-William F. Carr

Ocean Munds-Dry Attorneys for Yates Petroleum Corporation

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