

**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:**

2005 JAN 28  
CASE NO. 13403  
JAN 4 07

**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**

**APPLICANT**

Applicant seeks approval of the Fender State Exploratory Unit from the surface to the top of the Mississippian formation in an area comprising 5442.24 acres of State of New Mexico lands in Sections 3, 4, 5, 8, 9, 10, 15, 16, and 17, Township 10 South, Range 32 East, NMPM which is located approximately 4 miles northeast of Caprock, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**  
**(Name and Expertise)**

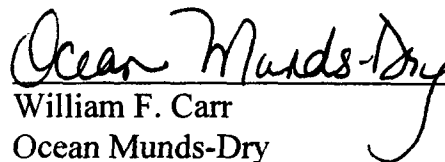
**ESTIMATED TIME**

**EXHIBITS**

**BY AFFIDAVIT**

**PROCEDURAL MATTERS**

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

A handwritten signature in black ink, appearing to read "Ocean Munds-Dry", is written over a horizontal line.

William F. Carr  
Ocean Munds-Dry  
Attorneys for Yates Petroleum Corporation