STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RES**CORTES** DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 13476

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

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by

the Oil Conservation Division.

APPEARANCE OF PARTIES

<u>APPLICANT</u>

ATTORNEY

Chuck Moran Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748-4572 Ocean Munds-Dry Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

STATEMENT OF CASE

Applicant in the above-styled cause seeks approval of the Chicken Little State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 3323.16 acres of State of New Mexico and Fee lands in Sections 24, 25, 35, and 36 Township 10 South, Range 31 East, NMPM and Irregular Section 4, Irregular Section 5, and Irregular Section 6 of Township 11 South, Range 32 East, NMPM which is located approximately 36 miles north of Maljamar, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

Respectfully submitted,

HOLLAND & HART, LLP

Ocean Munds-Dry

Ocean Munds-Dry Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 facsimile

Attorneys for Yates Petroleum Corporation