

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

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

SEP . 2 2003

Oil Conservation Division

CASE NO. 13122

**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

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Kris State Exploratory Unit for an area comprising 3200.00 acres of State of New Mexico lands in Sections 27, 28, 29, 33, and 34, Township 11 South, Range 34 East, NMPM which is located approximately 8 miles North of Tatum, New Mexico.

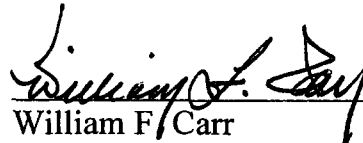
PROPOSED EVIDENCE

APPLICANT

The Kris State Exploratory Unit is 100% State of New Mexico Land. 100% of the working interest is voluntarily committed to the unit. Yates Petroleum Corporation will present this application by Affidavit.

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F Carr
Attorney for Yates Petroleum Corporation