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

DEC 3 0 2003

APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO. Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

CASE NO. 13201

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement as required by the rules of the New Mexico Oil Conservation Division.

APPEARANCES

APPLICANT

<u>ATTORNEY</u>

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748.1471

Michael H. Feldewert, Esq. Holland & Hart, LLP P. O. Box 2208 Santa Fe, NM 87504-2208 505/988-4421

APPLICANT'S STATEMENT OF CASE

Applicant seeks approval for its proposed Willie State Exploratory Unit, a voluntary unit consisting of approximately 2,240 acres of State of New Mexico lands in Lea County, New Mexico. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved. Yates seeks to be designated unit operator. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations, and Applicant expects to have an approval letter from the New Mexico State Land office prior to hearing.

APPLICANT'S PROPOSED EVIDENCE

WITNESS (Name and Expertise)

ESTIMATED TIME

EXHIBITS

John Amiet, Geologist

Approx. 5 minutes

Yates expects to present this case by affidavit.

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

Michael H. Feldewert

P.O. Box 2208

Santa Fe, NM 87504-2208

505/988-4421

Attorneys for Yates Petroleum Corporation