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STATE OF NEW MEXICODE CIVED OF ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2009 DEC 10 A 11: 43

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, LEA COUNTY, NEW MEXICO.

CASE NO. 14404

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Divison.

APPEARANCES OF PARTIES

APPLICANT

Robert Bullock Yates Petroleum Corp. 105 South Fourth Street Artesia, New Mexico 88210 (505) 748-4572

ATTORNEY

Ocean Munds-Dry, 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 Caravan Exploratory Unit from the surface to the base of the Wolfcamp formation in an area comprising 1600 acres of State of New Mexico lands in Sections 28, 32 and 33 in Township 24 South, Range 33 East, NMPM, which is located approximately 24 miles west northwest of Jal, New Mexico.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

Yates Petroleum Corporation will present this case by Affidavit.

PROCEDURAL MATTERS

Yates Petroleum Corporation, has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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