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:

MS.

CASE NO. 12955

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AN ORDER REQUIRING YATES PETROLEUM CORPORATION TO BRING NINETY (90) WELLS INTO COMPLIANCE WITH RULE 201.B, AND ASSESSING APPROPRIATE CIVIL PENATIES; LEA, ROOSEVELT, CHAVES AND EDDY COUNTIES, NEW MEXICO.

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PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

OPPOSITION

ATTORNEY

Yates Petroleum Corporation Mr. Randy Patterson 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748.1471 William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988.4421 Pre-Hearing Statement NMOCD Case No. 12955 Page 2

STATEMENT OF CASE

APPLICANT

Applicant seeks an order requiring Yates Petroleum Corporation to bring 90 inactive wells located in Lea, Roosevelt, Chaves and Eddy Counties, New Mexico, into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof, and seeks civil penalties.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES

ESTIMATED TIME

EXHIBITS

(Name and Expertise)

Frank Yates (may call)

Approx. 10 Minutes

Approx. 3

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

Attorney for Yates Petroleum Corporation

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