

**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. 12923

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF A UNIT
AGREEMENT AND AN UNORTHODOX GAS
WELL LOCATION, 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

Yates Petroleum Corporation
Mr. Randy Patterson
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 Calfrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in SW/4, W/2 NW/4 and SE/4 NW/4 of Section 28, and all of Sections 29 and 32 of Township 15 South, Range 34 East,

NMPM, and approval of an unorthodox gas well location for the initial test well on the unit at a location 2068 feet from the South line and 610 feet from the west line of said Section 28. The proposed unit is located approximately 10 miles northwest of Lovington, New Mexico.

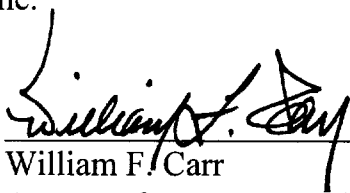
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Bill Owen (Land)	Approx. 15 Minutes	Approx. 6
Keith McKamey (Geology)	Approx. 10 Minutes	Approx. 2

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorney for Yates Petroleum Corporation

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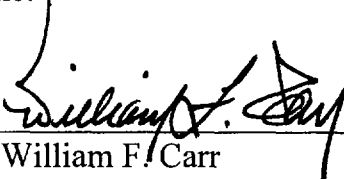
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