

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

Case No. 13018

APPLICANT'S PRE-HEARING STATEMENT

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

RECEIVED

MAR 7 2003

APPEARANCES

APPLICANT

Yates Petroleum Corporation

OPPONENT

None

**Oil Conservation Division
ATTORNEY**

Michael H. Feldewert, Esq.
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Santa Fe, NM 87504-2208
505/988-4421

OPPONENT'S ATTORNEY

None

APPLICANT'S STATEMENT OF CASE

Applicant seeks approval for the proposed Arley Federal Exploratory Unit, a voluntary unit consisting of approximately 2960.97 acres of Federal and fee lands in Eddy 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 BLM prior to hearing.

APPLICANT'S PROPOSED EVIDENCE

WITNESS (Name and Expertise)	ESTIMATED TIME	EXHIBITS
John Humphrey, Geologist	Approx. 15 minutes	Approx. 10

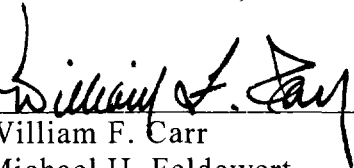
PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By:



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