



June 15, 2004

HAND DELIVERY

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13298

2004 JUN 15 PM 2 54

Re: Application of Yates Petroleum Corporation for approval of a unit agreement, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of Yates Petroleum Corporation in the above-referenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the July 8, 2004 Examiner Hearing docket.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

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

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL
OF A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13298

2009 JUN 15 PM 2 55

APPLICATION

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application for an order approving its Boddington Federal Exploratory Unit and in support of this application states:

1. The proposed Unit Area for the Boddington Federal Exploratory Unit consists of 3200 acres, more or less, of Federal and Fee lands, situated in Eddy County, New Mexico. The horizontal limits of said unit are described as follows:

Township 20 South, Range 23 East, N.M.P.M.

Section 5:	All
Sections 8 and 9:	All
Section 17:	All
Section 20:	All

2. 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.

3. The Applicant, Yates Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all of the geological structures or anomaly from the surface to the top of the Mississippian formation.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste and it will protect the correlative rights of all parties.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 8, 2004, that notice be given as required by law and the rules of the Division, and that the Boddington Federal Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE NO. 13288

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the Boddington Federal Exploratory Unit for all formations from the surface to the top of the Mississippian formation in an area comprising 3200 acres, more or less, of Federal and Fee lands in Sections 5, 8, 9, 17 and 20 of Township 20 South, Range 23 East, NMPM, which is located approximately 10 miles west of Seven Rivers, New Mexico.