

HOLLAND & HART^{LLP}



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December 6, 2005

HAND DELIVERY

Case 13611

2005 DEC 6 PM 3 36

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

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

Dear Mr. Fesmire:

Enclosed in triplicate 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 January 5, 2006 Examiner Hearing docket.

Very truly yours,

Ocean Munds-Dry
Ocean Munds-Dry

Enclosures

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

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**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 13611

2005 DEC 6 PM 3:39

APPLICATION

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

1. The proposed Unit Area consists of 12,480 acres, more or less, of State of New Mexico and Fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 12 South, Range 35 East, N.M.P.M.

Section 1:	All
Section 2:	All
Section 11:	All
Section 12:	All
Section 13:	All
Section 14:	All
Section 15:	All
Section 21:	All
Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 29:	N2
Section 33:	All
Section 34:	All
Section 35:	All

Section 36: 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 all formations are unitized.

4. The unit boundaries are consistent and substantially supported by the geological limits of the unitized formations.

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 concerned.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2006, that notice be given as required by law and the rules of the Division, and that the Pitney State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: *Ocean Munds-Dry*
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OCEAN MUNDS-DRY
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE NO. 13611 :

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Pitney State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 12,480 acres of State of New Mexico and Fee lands in Sections 1, 2, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, 28, 29, 33, 34, 35, and 36 in Township 12 South, Range 35 East, NMPM, which is located approximately 2 miles west of Tatum, New Mexico.