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

APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVARION OF THE WOLVERINE FEDERAL STATE EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.

APPLICATION

Yates Petroleum Corporation ("Yates") files this application for an order approving it's Wolverine Federal State Exploratory Unit. In support of its application, Yates states:

1. The proposed Unit Area for the Wolverine Federal State Exploratory Unit consists of approximately 2,230.96 acres of State and Federal lands in Lea County, New Mexico, comprised of the following acreage:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 6: Lots 6, 7, E/2 SW/4 and SE/4 (S/2)

Section 7: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)

Section 17: All Section 18: All

- 2. Yates is the designated operator under the Unit Agreement and the unitized interval is surface to the base of the Wolfcamp formation.
- 3. 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.
- 4. Yates has met with the New Mexico State Land Office and the Bureau of Land Management and agreed upon the form of the Unit Agreement.

5. Approval of this Application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Yates requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on December 17, 2015, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

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ATTORNEYS FOR YATES PETROLEUM CORPORATION

CASE 15947 Application Of Yates Petroleum Corporation For Approval Of The Wolverine Federal State Exploratory Unit, Lea County, New Mexico. Applicant seeks approval of its Wolverine Federal State Exploratory Unit consisting of approximately 2,320.96 acres of State and Federal lands in Lea County, New Mexico, comprised of the following acreage:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 6: Lots 6, 7, E/2 SW/4 and SE/4 (S/2) Section 7: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)

Section 17: All Section 18: All

The unitized interval is the surface to the base of the Wolfcamp formation. The subject acreage is located approximately 19.14 miles southwest of Eunice, New Mexico.