

HOLLAND & HART LLP  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
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SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 25, 2003

**HAND DELIVERY**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RECEIVED**

AUG 26 2003

Oil Conservation Division

*Case 13145*

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

Dear Ms. Wrotenbery,:

Enclosed in duplicate 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 September 18, 2003 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Robert Bullock  
Mr. John Amiet  
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

RECEIVED

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

AUG 20 2003

Oil Conservation Division  
CASE NO. 13145

APPLICATION

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

1. The proposed Unit Area consists of 1920.00 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 14 South, Range 35 East, N.M.P.M.

Sections 18 and 19: All  
Section 30: 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.

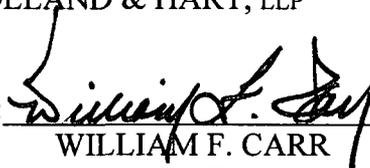
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

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 that 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 September 18, 2003, that notice be given as required by law and the rules of the Division, and that the Mandrell State 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