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Michael H. Feldewert  
Recognized Specialist in the Area of  
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New Mexico Board of Legal Specialization

October 14, 2003

**HAND-DELIVERED**

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**

OCT 14 2003

Oil Conservation Division

Re: Application of Yates Petroleum Corporation for  
an Order Approving Its Cash State Exploratory Unit

*Case 13181*

Dear Ms. Wrotenbery:

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 docket for the November 6, 2003, Examiner hearings.

Sincerely,



Michael H. Feldewert

MHF:jpg

Enclosures

cc: Mr. Robert Bullock  
Yates Petroleum Corporation

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.

OCT 14 2003

CASE NO. Conservation Division  
13781

APPLICATION

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

1. The proposed Unit Area consists of 7,117.66 acres, more or less, of State of New Mexico lands and 40 acres of fee minerals situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 10 South, Range 33 East, N.M.P.M.

Section 13:	All
Section 24:	All
Section 25:	All
Section 36:	All

Township 10 South, Range 34 East, N.M.P.M.

Section 18:	All
Section 19:	All
Section 30:	All
Section 31:	All

Township 11 South, Range 34 East, N.M.P.M.

Section 3:	All
Section 4:	All
Section 9:	All
Section 10:	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.

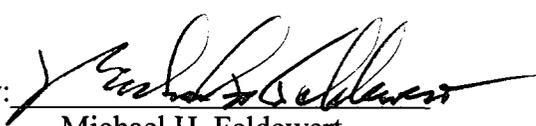
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

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 November 6, 2003, that notice be given as required by law and the rules of the Division, and that the Cash State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

CASE NO. 13181 :

**Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Cash State Exploratory Unit for an area comprising 7,117 acres, more or less, of State of New Mexico lands and 40 acres of fee minerals in Sections 13, 24, 25, and 36 of Township 10 South, Range 33 East; Sections 18, 19, 30 and 31 of Township 10 South, Range 34 East; and Sections 3, 4, 9 and 10 of Township 11 South, Range 34 East. Said area is located approximately 13 miles north west of Tatum, New Mexico.