

HOLLAND & HART<sup>LLP</sup>



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November 10, 2003

**RECEIVED**

NOV 10 2003

Oil Conservation Division

**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

*Case 13188*

Re: Application of Yates Petroleum Corporation for  
an Order Approving its Samuel Smith Unit

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 December 4, 2003, Examiner hearings.

Sincerely,

Michael H. Feldewert

MHF:jlj

Enclosures

cc: Janet Richardson  
Yates Petroleum Corporation

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Holland & Hart<sup>LLP</sup>

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

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

NOV 10 2003

Oil Conservation Division  
CASE NO. 13188

**APPLICATION**

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

1. The proposed Unit Area consists of 7,684 acres, more or less, of State and Federal lands situated in Eddy County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 23 South, Range 24 East, N.M.P.M.**

Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 32:	All
Section 33:	All

**Township 24 South, Range 24 East, N.M.P.M.**

Section 5:	Lots 1-4, S/2 N/2, S/2
Section 6:	Lots 1-7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4
Section 7:	Lots 1-4, E/2 W/2, E/2

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 December 4, 2003, that notice be provided as required by law and the rules of the Division, and that the Samuel Smith Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

Michael H. Feldewert  
P. O. Box 2208  
Santa Fe, NM 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

CASE NO. 13188 :

**Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.** Applicant seeks approval of the Samuel Smith Unit for an area comprising 7,684 acres, more or less, of state and federal lands in Sections 22, 23, 24, 25, 26, 27, 28, 32 and 33, Township 23 South, Range 24 East, N.M.P.M., and Sections 5, 6, and 7 of Township 24 South, Range 24 East. Said area is located approximately 13 miles southwest of Carlsbad, New Mexico.

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Oil Conservation Division