

HOLLAND & HART^{LLP}



Michael H. Feldewert

Recognized Specialist in the Area of
Natural Resources - oil and gas law
New Mexico Board of Legal Specialization

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January 14, 2004

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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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Case 13223

Re: Application of Yates Petroleum Corporation for Approval of a
Unit Agreement (Merle State Exploratory Unit)
Lea County, New Mexico

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 February 19, 2004, Examiner hearings.

Sincerely,

Michael H. Feldewert

MHF:jlj

Enclosures

cc: Robert Bullock
Yates Petroleum Corporation

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Holland & Hart^{LLP}

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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.**

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

CASE NO. 13223

APPLICATION

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

1. The proposed Unit Area consists of 7,360 acres, more or less, of State of New Mexico lands situated in Lea County, New Mexico. The horizontal limits of said unit are as follows:

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

Section 1:	All
Sections 11-14:	All
Sections 23-25:	All

Township 10 South, Range 35 East, N.M.P.M.

Section 6:	All
Section 7:	All
Section 18:	All
Section 19:	N/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 the designated Unit Operator under said Unit Agreement and all oil and gas in 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, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 19, 2004, that notice be given as required by law and the rules of the Division, and that the proposed Unit be approved by the Division.

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. 13223:

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of its proposed Merle State Exploratory Unit for an area comprising 7,360 acres, more or less, of State of New Mexico lands situated in Sections 1, 11-14, and 23-25 of Township 10 South, Range 34 East and Sections 6, 7, 18 and 19 of Township 10 South, Range 35 East. Said area is located approximately 5 miles southwest of Crossroads, New Mexico.

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