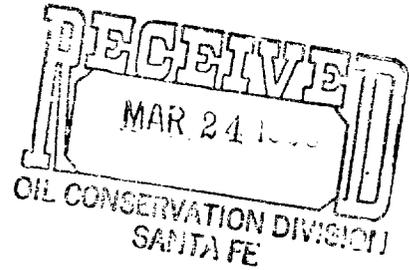


March 20, 1989



Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

M.S.
Case 9655

Re: East Apple State Unit
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, East Apple State Unit Area, Eddy County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on April 26, 1989.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR APPROVAL OF A UNIT AGREEMENT, :
EAST APPLE STATE UNIT AREA, EDDY :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 96-54

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 25 South, Range 28 East, N.M.P.M.

Section 28: NW/4, S/2
Section 29: S/2
Section 31: All
Section 32: All
Section 33: All

Township 26 South, Range 28 East, N.M.P.M.

Section 5: All
Section 6: All
Section 7: All
Section 8: All

containing 5,279.52 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the East Apple State Unit. The unit consists of fee and state lands.

3. The ratification or approval of all leasehold owners, including the State of New Mexico, required to ratify such unit agreement will be forthcoming prior to the effective date of any order issued pursuant to this Application by the Division.

4. The approval of this Application is in the interest of conservation and will prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order approving the East Apple State Unit Agreement, with Applicant as operator, as an exploratory unit embracing the above described lands.

C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

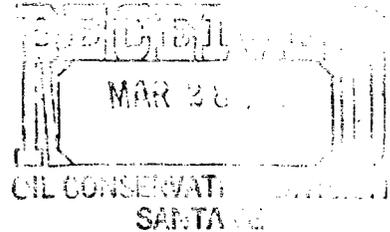
DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

March 27, 1989

Case 9655

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504



Re: East Apple State Unit
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Amended Application of Yates Petroleum Corporation for Approval of a Unit Agreement, East Apple State Unit Area, Eddy County, New Mexico.

This matter has been set for hearing before an Examiner on April 26, 1989.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

A handwritten signature in cursive script that reads "Chad Dickerson".

Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Ms. Kathy Colbert

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR APPROVAL OF A UNIT AGREEMENT, :
EAST APPLE STATE UNIT AREA, EDDY :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 9655

AMENDED APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 25 South, Range 28 East, N.M.P.M.

- Section 28: W/2, SE/4
- Section 29: S/2
- Section 31: All
- Section 32: All
- Section 33: All

Township 26 South, Range 28 East, N.M.P.M.

- Section 4: All
- Section 5: All
- Section 6: All
- Section 7: All
- Section 8: All

containing 5,919.52 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the East Apple State Unit. The unit consists of fee and state lands.

3. The ratification or approval of all leasehold owners, including the State of New Mexico, required to ratify such unit agreement will be forthcoming prior to the effective date of any order issued pursuant to this Application by the Division.

4. The approval of this Application is in the interest of conservation and will prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order approving the East Apple State Unit Agreement, with Applicant as operator, as an exploratory unit embracing the above described lands.

C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant