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OIL CONSERVATION DIVISION
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October 5, 1990

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

Case 10135

Re: Proposed Hourglass State Unit
Township 18 South, Range 35 East, NMPM
Section 9: SE/4 SE/4
Section 10: S/2
Section 15: NW/4 NW/4
Section 16: NE/4
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Hourglass State Unit Area, Lea 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 October 31, 1990.

Thank you.

Very truly yours,

FI SK & VANDIVER

David R. Vandiver
David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Mr. Mike Burch
Mr. Brent May

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

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR APPROVAL OF A UNIT AGREEMENT, :
HOURGLASS STATE UNIT AREA, LEA :
COUNTY, NEW MEXICO :
:

CASE NO. 10135

APPLICATION

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

1. Applicant is the operator of a portion of the following lands in Lea County, New Mexico:

Township 18 South, Range 35 East, N.M.P.M.

Section 9: SE/4 SE/4
Section 10: S/2
Section 15: NW/4 NW/4
Section 16: NE/4

containing 560 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Hourglass State Unit. The unit consists **entirely** of 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.

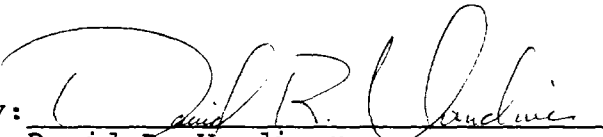
WHEREFORE, Applicant prays:

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 Hourglass 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: 
David R. Vandiver

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Attorneys for Applicant