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November 14, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

Case 12549

Re: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves 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 December 7, 2000 Examiner Hearing docket.

Very truly yours,



William F. Carr

WFC/md

Enclosures

cc: Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

**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.**

CASE NO. 12549

APPLICATION

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

1. That the proposed Unit consists of 1,600 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 14 South, Range 34 East, N.M.P.M.

Section 25:	All
Section 26:	All
Section 36:	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 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

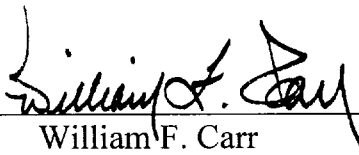
structures or anomaly involved.

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 7, 2000, that notice be given as required by law and the rules of the Division, and that the North Papalotes State Unit be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
William F. Carr

ATTORNEY FOR YATES PETROLEUM
CORPORATION

CASE NO. 2549: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the North Papalotes State Exploratory Unit for an area comprising 1600 acres of State of New Mexico lands in Sections 25, 26 and 36 of Township 14 South, Range 34 East, NMPM which is located approximately 10 miles northwest of Lovington, New Mexico.