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William F. Carr

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August 16, 2002

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

RECEIVED

AUG 1 - 2002

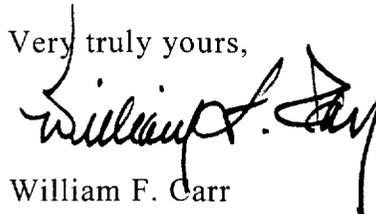
Oil Conservation Division

Re: Application of Yates Petroleum Corporation for approval of a Unit Agreement,
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 September 19, 2002 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 8821

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.

RECEIVED

AUG 1 ~ 2002 CASE NO. _____

Oil Conservation Division
APPLICATION

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

1. That the proposed Unit consists of 1560 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 15 South, Range 34 East, N.M.P.M.

Section 28: SW/4, W/2 NW/4, SE/4 NW/4,
Section 29: All
Section 32: All

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.

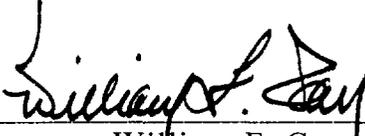
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

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 September 19, 2002, that notice be given as required by law and the rules of the Division, and that the Calfrop State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: 
William F. Carr

ATTORNEYS FOR YATES
PETROLEUM CORPORATION

Case No. _____: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Calfrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in SW/4, W/2 NW/4 and SE/4 NW/4 of Section 28, and all of Sections 29 and 32 of Township 15 South, Range 34 East, NMPM, which is located approximately 10 miles northwest of Lovington, New Mexico.

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

APPLICATION OF YATES PETROLEUM
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OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

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AUG 1 2002 CASE NO. _____

Oil Conservation Division

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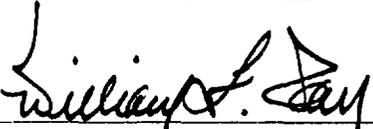
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