

June 15, 2004

HAND DELIVERY

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13296

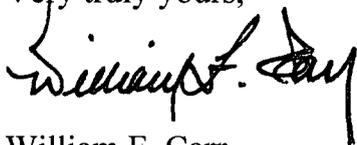
2004 JUN 15 PM 2 55

Re: Application of Yates Petroleum Corporation for approval of a unit agreement, Chaves County, New Mexico.

Dear Mr. Fesmire:

Enclosed 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 July 8, 2004 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Charles Moran
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

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

2009 JUN 15 PM 2 55

APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL
OF A UNIT AGREEMENT,
CHAVES COUNTY, NEW MEXICO.

CASE NO. 132965

APPLICATION

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

1. The proposed Unit Area for the Stingray State Exploratory Unit consists of 1913.22 acres, more or less, of State of New Mexico and Fee lands, situated in Chaves County, New Mexico. The horizontal limits of said unit are described as follows:

Township 10 South, Range 26 East, N.M.P.M.

Section 12: E/2

Township 10 South, Range 27 East, N.M.P.M.

Section 6: Lots 6 and 7 (W/2SW/4),
E/2 SW/4 and SE/4 (S/2)

Section 7: Lots 1 through 4 (W/2W/2),
E/2 W/2, E/2 (All)

Section 18: Lots 1 through 4(W/2W/2),
E/2 W/2, E/2 (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.

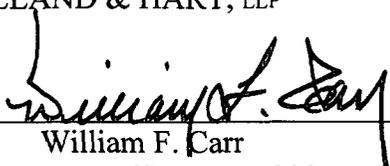
4. The proposed Unit Area covers all of the geological structures or anomaly from the surface to the base of the Siluro-Devonian formation.

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.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 8, 2004, that notice be given as required by law and the rules of the Division, and that the Stingray State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE NO. 13296:

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Stingray State Exploratory Unit for all formations from the surface to the base of the Siluro-Devonian formation in an area comprising 1913.22 acres, more or less, of State of New Mexico and Fee lands in the S/2 equivalent of Section 12 of Township 10 South, Range 26 East, and Section 7, the E/2 of Section 12 and Section 18 of Township 10 South, Range 27 East, NMPM which is located approximately 12 miles east of Roswell, New Mexico.