



August 2, 2005

HAND-DELIVERED

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 13542

2005 AUG 2 PM 3 24

Re: Application of Yates Petroleum Corporation for approval of a non-standard 307.72-acre gas spacing unit, Lea 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 a legal advertisement. Yates Petroleum Corporation requests that this matter be placed on the docket for the August 25, 2005 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Robert Bullock
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**

**IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF A NON-STANDARD
307.72-ACRE GAS SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

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CASE NO. 13342

APPLICATION

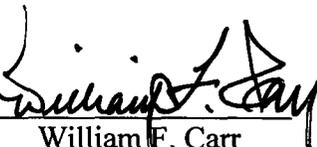
YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application for an order approving a 307.72-acre non-standard gas spacing unit in the Mississippian formation, and in support thereof states:

1. Yates is the operator and a working interest owner of the W/2 of irregular Section 30, Township 12 South, Range 35 East on which it proposes to drill its Ike State Unit Well No. 1 at a standard location 1750 feet from the North line and 900 feet from the West line of the section.
2. This non-standard gas spacing unit is necessary because it contains only 307.72 acres due to a variation in the legal subdivision of the United States Public Land Surveys.
3. This non-standard spacing unit is comprised of contiguous quarter-quarter sections and lots and lies wholly within a single governmental half section.
4. All tracts offsetting the proposed non-standard unit are operated by Yates Petroleum Corporation except for a tract operated by EOG Resources, Inc.
5. A copy of this application mailed to EOG Resources, Inc. by Certified Mail--Return Receipt Requested as required by Division Rule 1207.A(2).
6. Approval of this application will enable Yates to recover its just and equitable share of the reserves under this non-standard unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an examiner of the Oil Conservation Division on August 25, 2005, and after

notice and hearing as required by law and the rules of the Division, that this 307.72 non-standard gas spacing unit be approved.

Respectfully submitted
Holland & Hart, LLP

By: 
William F. Carr

ATTORNEY FOR YATES
PETROLEUM CORPORATION

CASE 13542:

Application of Yates Petroleum Corporation for approval of a non-standard 307.72 acre gas spacing unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving a 307.72-acre non-standard gas spacing and proration unit in the Mississippian formation comprised of the west half of irregular section 30, Township 1 South, Range 35 East, NMPM, to be dedicated to its proposed Ike State Unit Well No. 1 to be drilled at a standard gas well location 1750 feet from the North line and 900 feet from the West line of said Section 30. Said unit is located approximately 10 miles west of Tatum, New Mexico.