

hinklelawfirm.com

# HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

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WRITER:

Gary W. Larson,  
Partner

glarson@hinklelawfirm.com

June 8, 2015

## VIA HAND DELIVERY

Florence Davidson  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Case 15342

Re: Yates Petroleum Corporation Application

Dear Florene:

Enclosed please find (i) for filing, the original and one (1) copy of an application by Yates Petroleum Corporation for approval of an exploratory unit agreement; and (ii) a proposed advertisement. I will email the proposed advertisement to you in Word format.

As stated in the application, Yates requests that the application be placed on the Division's July 9, 2015 hearing docket.

Thank you for your assistance.

Very truly yours,

Gary W. Larson

GWL:rc  
Enclosures

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88210  
575-622-6510  
(FAX) 575-746-6316

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

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

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

Case No. 15342

**APPLICATION**

Yates Petroleum Corporation ("Yates") applies for an order approving the Tomorrow State Exploratory Unit. In support of its application, Yates states:

1. The proposed Unit Area consists of 1,920.76 acres, more or less, of State of New Mexico land situated in Lea County, New Mexico. The unitized interval includes all formations from the surface to the base of the Wolfcamp formation. The horizontal limits of the Unit are as follows:

**Township 23 South, Range 35 East, NMPM**

Section 35: All

Section 36: All

**Township 24 South, Range 35 East, NMPM**

Section 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.

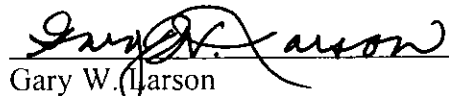
3. Yates is designated as the Unit Operator in the Unit Agreement. All oil and gas in all formations are unitized.

4. The Unit boundaries are consistent with and substantially supported by the geological limits of the unitized formations.

5. The Unit Agreement and the unitized operation and management of the Unit Area will be in the interests of conservation and the prevention of waste, and will protect the correlative rights of all parties concerned.

WHEREFORE, Yates requests that this Application be set for hearing on July 9, 2015 and that, after notice and hearing, the Division enter an order approving the Application.

HINKLE, SHANOR, LLP



Gary W. Larson  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

*Counsel for Yates Petroleum Corporation*

**PROPOSED ADVERTISEMENT**

**CASE NO. 15342 : Application of Yates Petroleum Corporation for approval of an Exploratory Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Tomorrow State Exploratory Unit for all formations from the surface to the base of the Wolfcamp formation in an area comprising 1,920.76 acres, more or less, of State of New Mexico land situated in Sections 35 and 36, Township 23 South, Range 35 East, N.M.P.M. and Section 2, Township 24 South, Range 35 East, N.M.P.M., in Lea County. The proposed exploratory unit is located 10 miles northwest of Jal, New Mexico.

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