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William F. Carr

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April 1, 2003

**HAND DELIVERY**

Ms. 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**

APR 1 2003

Oil Conservation Division

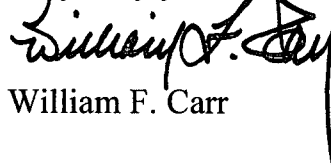
*Case 13052*

**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 April 24, 2003 Examiner Hearing docket.

Very truly yours,

  
William F. Carr

Enclosures

cc: Mr. John Amiet  
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**

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

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CASE NO. **13052**  
Oil Conservation Division

**APPLICATION**

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

1. The proposed Unit Area consists of 2560.00 acres, more or less, of State of New Mexico and fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 11 South, Range 34 East, N.M.P.M.**

Sections 14 and 15: All  
Sections 21 and 22: 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 April 24, 2003, that notice be given as required by law and the rules of the Division, and that the Waylon State/Fee Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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ATTORNEYS FOR YATES PETROLEUM  
CORPORATION