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June 13, 1989

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Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

ATTN: Ms. Mary Lou Ormseth

Re: Desana Unit
Eddy County, New Mexico

Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for designation of the Desana Unit, Eddy County, New Mexico, as logically subject to unit development. This exploratory unit consists of state and federal lands. Submitted herewith are the following:

1. Copy of the Unit Agreement, with Exhibits "A" and "B".
2. Copy of the Unit Operating Agreement.
3. Geological Explanation, with maps.

This application is set for hearing before the New Mexico Oil Conservation Division on June 21, 1989, and request has been made to the Commissioner of Public Lands of the State of New Mexico for preliminary approval of the unit. One of the state leases has an expiration date of July 1, 1989, and your early review of this proposed unit will be appreciated. Please contact me if you have any questions or requirements.

Thank you for your cooperation in this matter.

Very truly yours,

FISK, VANDIVER & CATRON

David R. Vandiver

DRV:nt
Enclosures

xc: Mr. Rob Bullock

YATES PETROLEUM CORPORATION
Case No. 9688
6/21/89 Examiner Hearing
Exhibit No. 5