

HOLLAND & HART<sup>LLP</sup>



William F. Carr  
wcarr@hollandhart.com

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January 25, 2005

**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 13415*

**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 February 17, 2005 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

Holland & Hart<sup>LLP</sup>

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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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, CHAVES COUNTY, NEW MEXICO.

CASE NO. 13415

**APPLICATION**

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

1. The proposed Unit Area for the Patsy State Exploratory Unit consists of 3,200 acres, more or less, of State of New Mexico lands, situated in Chaves County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 11 South, Range 31 East, N.M.P.M.**

Section 35: E/2

**Township 12 South, Range 31 East, N.M.P.M.**

Section 2:	All
Section 10:	All
Section 11:	All
Section 14:	N/2
Section 15:	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 to the base of the lower Mississippian 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 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 February 17, 2005 that notice be given as required by law and the rules of the Division, and that the Patsy State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William H. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

**CASE NO. 13415:**

**Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico.** Applicant seeks approval of the Patsy State Exploratory Unit for all formations from the surface to the base of the Lower Mississippian formation in an area comprising 3200 acres, more or less, of State of New Mexico lands located in Section 35 of Township 11 South, Range 31 East and Sections 2, 10, 11, 14 and 15 of Township 12 South, Range 31 East, NMPM, which is located approximately 20 miles north of Maljamar, New Mexico.