

April 9, 2007

HAND-DELIVERED

Case 13915

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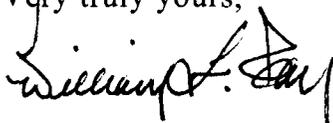
Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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 a legal advertisement. Yates requests that
this matter be placed on the docket for the May 10, 2007 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Lucky Briggs
Yates Petroleum Corporation

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. 13915

2007 APR 8 PM 3 41

APPLICATION

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

1. The proposed Unit Area consists of 1280.00 acres, more or less, of State of New Mexico lands, situated in Chaves County, New Mexico. The unitized interval will be from the surface to the base of the Precambrian formation and the horizontal limits of said unit are described as follows:

Township 12 South, Range 26 East, N.M.P.M.

Sections 13 and 14: 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 all formations are unitized.

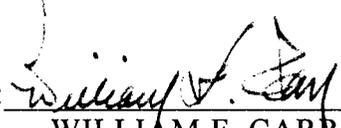
4. The unit boundaries are consistent and substantially supported by the geological limits of the unitized formations.

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 concerned.

WHEREFORE, Yates requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 10, 2007, that notice be given as required by law and the rules of the Division, and that the Pigskin State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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Santa Fe, New Mexico 87504
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ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE NO. 13915:

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico.

Applicant seeks approval of the Pigskin State Exploratory Unit from the surface to the base of the Precambrian formation in an area comprising 1240.00 acres of State of New Mexico lands comprised of Sections 13 and 14 of Township 12 South, Range 26 East, NMPM, which is located approximately 20miles southeast of Roswell, New Mexico.