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August 21, 2007

Case 14000

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Harvey E. Yates Company, are an original and one copy of an application for unit expansion, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 20, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Harvey E. Yates Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF HARVEY E. YATES
COMPANY FOR EXPANSION OF A UNIT
AREA, OTERO COUNTY, NEW MEXICO.

Case No. 14000

APPLICATION

Harvey E. Yates Company applies for an order approving an expansion of the Bennett Ranch Unit Area, and in support thereof, states:

1. Applicant is a working interest owner in, and is the operator of, the Bennett Ranch Unit Area, an exploratory unit comprising 8,856.90 acres of federal and state lands in Otero County, New Mexico.

2. The unit area was approved by Division Order No. R-10,527, and the lands within the unit are described in Exhibit A attached hereto. The order requires Division approval to expand the unit area.

3. Applicant requests that the unit area be expanded to cover the lands described below:

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

| | |
|-----------------------|-----|
| Sections 1-3: | All |
| Sections 10-15: | All |
| Sections 22-27: | All |
| Irregular Section 35: | All |
| Irregular Section 36: | All |

Township 26 South, Range 13 East, N.M.P.M.

| | |
|-----------------------|-----|
| Irregular Section 18: | All |
| Irregular Section 19: | All |
| Irregular Section 30: | All |
| Irregular Section 31: | All |

Containing 11,637.09 acres.

A plat of the expanded unit area is attached as Exhibit B, indicating the expansion area.

4. The expansion of the unit area has been preliminarily approved by the United States Bureau of Land Management and the Commissioner of Public Lands.

5. The approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after hearing, the Division enter its order approving the relief requested herein.

Respectfully-submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Harvey E. Yates Company

EXHIBIT "A"
CASE NO. 11394
ORDER NO. R-10527
BENNETT RANCH UNIT AGREEMENT
OTERO COUNTY, NEW MEXICO

TOWNSHIP 26 SOUTH, RANGE 12 EAST, NMPM

| | |
|-------------------------|------------------------------------|
| Section 1: | SW/ SW/4 |
| Section 2: | S/2 NW/4, SW/4, W/2 SE/4, and SE/4 |
| Section 3: | E/2 and E/2 W/2 |
| Sections 10 and 11: | All |
| Section 12: | W/2 NE/4, SE/4 NE/4, W/2, and SE/4 |
| Sections 13 and 14: | All |
| Section 15: | N/2, E/2 SW/4, and SE/4 |
| Section 22: | E/2 and E/2 NW/4 |
| Sections 23 through 25: | All |
| Section 26: | N/2, E/2 SW/4, and SE/4 |
| Section 27: | NE/4 NE/4 |
| Irregular Section 35: | Lots 3 and 4 and N/2 NE/4 |
| Irregular Section 36: | All |

TOWNSHIP 26 SOUTH, RANGE 13 EAST, NMPM

| | |
|-----------------------|---|
| Irregular Section 18: | Lots 2, 3, and 4 |
| Irregular Section 19: | Lots 1 through 4, SW/4 NE/4, and W/2 SE/4 |
| Irregular Section 30: | Lots 1 through 4, W/2 NE/4, SE/4 NE/4, and SE/4 |
| Irregular Section 31: | All. |

EXHIBIT

A

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95 DEC 20 AM 8 53
STATE LAND OFFICE
SANTA FE, N.M.

R - 13 - E



| | | |
|----------------|-----------------|-------------|
| FEDERAL LANDS: | 10,556.39 ACRES | 90.713314% |
| STATE LANDS: | 1,080.70 ACRES | 9.286686% |
| TOTALS: | 11,637.09 ACRES | 100.000000% |

TRACT #:

EXHIBIT A2