## STATE OF NEW MEXICO ENERGY, MINERAL AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION	)
OF YATES ENERGY CORPORATION FOR	)
APPROVAL OF THE McGRUDER HILL	)
UNIT AGREEMENT, EDDY COUNTY, NEW	)
MEXICO.	

case no. 1000

11 2 2 1994

## **APPLICATION**

- 1) Applicant is the operator of certain oil and gas leases in portions of Sections 11, 12, 13 and 14, Township 22 South, Range 25 East, NMPM, Eddy County, New Mexico (said lands).
- 2) Applicant has proposed to the other owners and operaters of said lands the formation of the McGruder Hill Unit which comprises a unit area (unit area) all as shown in Exhibit "A" attached hereto and incorporated herein by reference.
- 3) The unitized interval of the McGruder Hill Unit shall be all operations below the surface of the earth, and the initial unit well will test the Upper Penn Canyon formation.
- 4) The unit area is a logical unit area and will promote orderly development of oil and gas.
- 5) Approval of this application is in the best interests of conservation of oil and gas, will prevent waste, and will protect correlative rights.

## WHEREFORE, Applicant prays that:

- A) The Application be set for hearing;
- B) The Application be approved in its entirety;
- C) For such other and further relief as the Division deems proper and appropriate.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

Bv:

Ernest L. Padilla P. O. Box 2523

Santa Fe, New Mexico

87504-2523 (505) 988-7577

Attorneys for Yates Energy Corporation

© - tract	Federal Land — 1,543.82 acres or 95.08% of area State Land — 40 acres or 2.46% of area Fee Land — 40 acres or 2.46% of area Total — 1623.82 acres	Federal Land — 1,543.82 acres or 95.08: State Land — 40 acres or 2.46% of area Fee Land — 40 acres or 2.46% of area Total — 1623.82 acres	Federal Lan State Land Fee Land — Total — 16:			
//// STA1	13				14	
T551	(86) acres	4 42.54 acres MARALO 11/1/97 NM-89806	3 <b>&amp;</b> 42.42 acres	<b>3</b> 240 acres	2,	<b>6</b> 0 acres
	COLLINS & WARE 12/1/2003 NM-92153	43,12 acres	COLLINS & WARE 12/1/2003 NM-92153 43 acres 2 1	SANTA FE ENERGY 10/1/94 NM-82852	SANTA 10 NM-	MARALO 11/1/97 NM-89805
· <b>*******</b>	120 acres	43.11 acres	43.31 acres	280 acres	280	<b>2</b> 40 acres
	UNION OIL, et al HBP LC-064528-A	7 <b>©</b>	<b>©</b>	•		HALLWOOD HBP NM-25348
		43,06 acres	43.26 acres 5			
		SANTA FE 1/1/95 NM-83041	MARALO 11/1/97 NM-89805	ENERGY /95 3040	SANTA FE ENERGY 1/1/95 NM-83040	
	12				280 acres 1 1	280
Exhibit A	æ	ADMINISTRATIVE BOUNDARY HACKBERRY HILLS UNIT	ADMINIST HACKBER		•	<b></b>
T-22-S, R					9	
McGRUDER EDDY COUN				100 out 88	11/1/97 NM-89805	_ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~
YAIES ENE				SANTA PE	MARALO	<del></del>

YATES ENERGY CORPORATION MCGRUDER HILL UNIT EDDY COUNTY, NEW MEXICO I-22-S, R-25-E

LEGEND :

UNIT OUTLINE

STATE LANDS

FEE LAND

tract number