

PADILLA LAW FIRM, P.A.

TELEPHONE
505-988-7577

STREET ADDRESS
1512 ST. FRANCIS DRIVE
SANTA FE, NM 87501
MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NM 87504-2523

OIL CONSERVATION DIVISION
FACSIMILE
RECEIVED 505-988-7592
194 JUL 21 AM 8 50

July 19, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL LEASE OWNERS AND OPERATORS (See attached list)

RE: Notice of Application of Yates Energy Corporation For
Approval of the McGruder Hill Unit Agreement, Eddy
County, New Mexico

PURSUANT to the Rules and Regulations of the General Rules of the Oil Conservation Division of New Mexico, notice is hereby given of the above-referenced application. You may protest the enclosed application which will be heard on August 18, 1994, beginning at the hour of 8:15 a.m., at the office of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico.

Very truly yours,



Ernest L. Padilla

ELP/cjc
Enc: Copy of Application
List of Lease Owners, Operators

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. _____

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 operators 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.

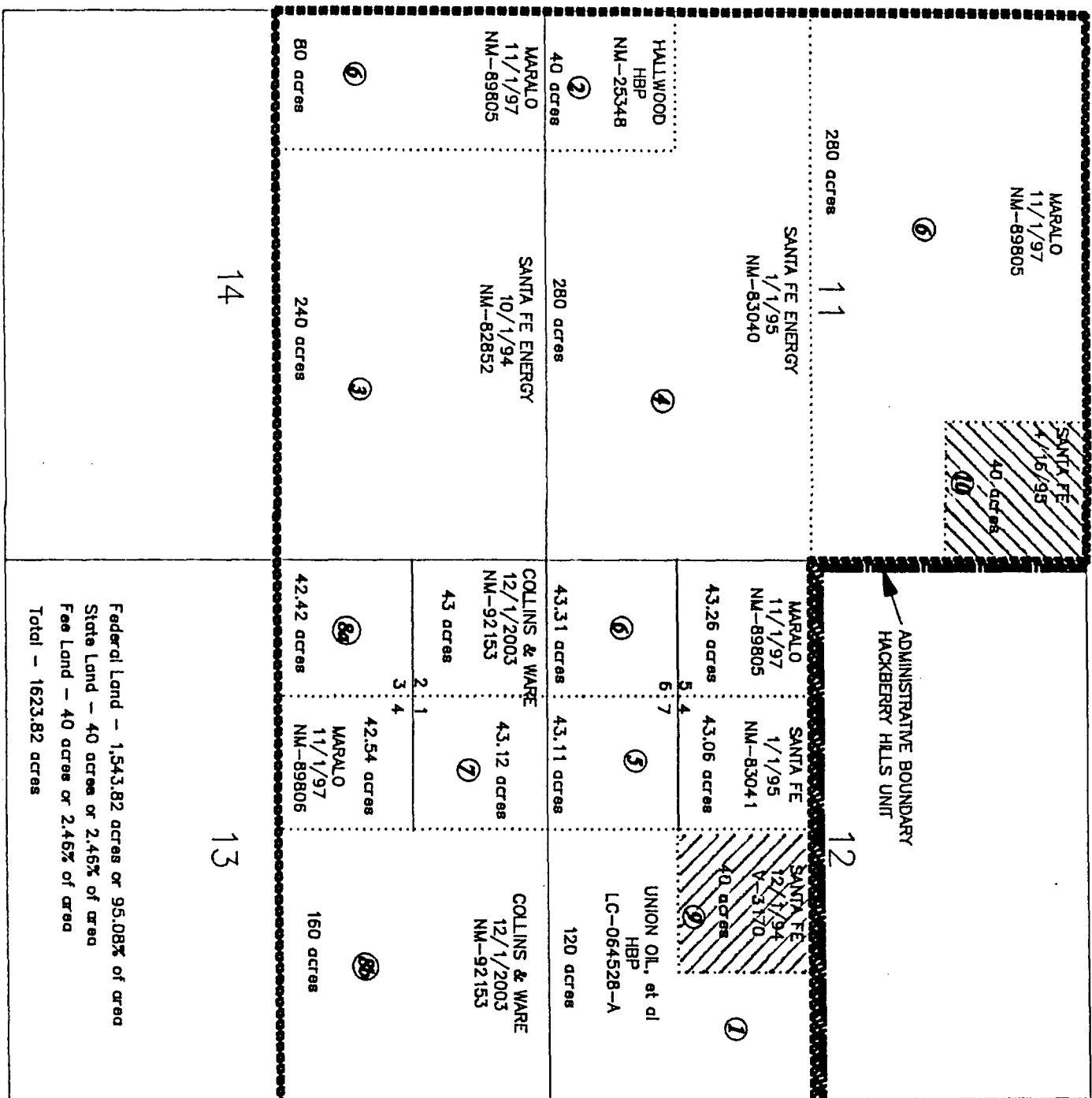
By: 

Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico
87504-2523
(505) 988-7577

Attorneys for Yates Energy
Corporation

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

Exhibit A



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

McGRUDER HILL UNIT
EDDY COUNTY, NM
UNIT NOTIFICATION LIST

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 88202-2323
Attn: Sharon Hamilton

Santa Fe Energy Resources, Inc.
550 W. Texas, Suite 1330
Midland, TX 79701
Attention: Curtis D. Smith

MRL Partners, LP
P. O. Box 832
Midland, TX 79702
Attention: C. Mark Wheeler

Union Oil Company of California
P. O. Box 3100
Midland, TX 79702
Attention: Michael A. Nixon

Atlantic Richfield Company
P. O. Box 1610
Midland, TX 79702
Attention: John Lodge

Barbara Faskin
303 W. Wall Ave., Suite 1900
Midland, TX 79701-5116
Attention: Kim Pringle

Charles B. Read
P. O. Box 1518
Roswell, NM 88202-1518
Attention: Bob Watson

Tom Brown, Inc.
P. O. Box 2608
Midland, TX 79702
Attention: Dennis Hopkins

Collins & Ware, Inc.
303 W. Wall, Suite 2200
Midland, TX 79701
Attention: W. Brent Smith

Hallwood Petroleum, Inc.
P. O. Box 37811
Denver, CO 80237
Attention: J. C. Woods

FISCO, Inc.
P. O. Box 1
Hondo, NM 88336-0001

Kay C. Havenor
904 Moore
Roswell, NM 88201

John Thoma
c/o Maralo, Inc.
P. O. Box 832
Midland, TX 79702

Sam D. Jones
10066 Timber Oaks
Houston, TX 77080

Frank H. Jones
706 LaPlata
Farmington, NM 87401

Ella D. Jones
1003 Dogwood Lane
Carlsbad, NM 88220

Lynda S. Jones
5004 Hallmarc
Farmington, NM 87401

Edward C. Webster
2919 Palo Alto
Carlsbad, NM 88220

Judith Webster Donihi
P. O. Box 1626
Maitland, FL 32974

George E. Webster
2513 Country Club
Midland, TX 79701

Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, NM 88202-1397

Bureau of Land Management
New Mexico State Office
P. O. Box 27115
Santa Fe, NM 87502-0115

Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504