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OIL AND GAS LAND AND UNIT CONSULTANT

FEDERAL - STATE - FEE

P. O. BOX 819

ROSWELL, NEW MEXICO 88201

August 10, 1979

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In Re: Willow Creek Unit Area  
Chaves County, New Mexico

Oil Conservation Division  
Energy & Minerals Department  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen,

On behalf of Yates Petroleum Corporation I am enclosing three copies of Application for Approval and hearing, and copy of Unit Agreement in connection with the captioned Unit.

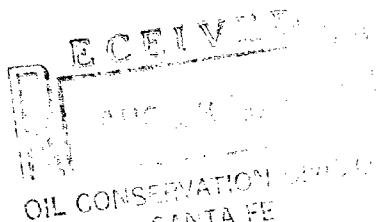
We would very much appreciate your examination and placing on an early Docket for hearing.

Please advise if you need more at this time or if all is not in order.

Yours very truly,



R. M. Richardson



Xerox copy: Yates

BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF  
THE WILLOW CREEK UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

Case 6641

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico 87501

Comes the undersigned Yates Petroleum Corporation, with offices at Artesia, New Mexico and files herewith one (1) copy of the proposed Unit Agreement for the development and operation of the Willow Creek Unit Area, Chaves County, New Mexico and hereby makes application for approval of said Unit Agreement as provided by law, and in support thereof states:

1. That the proposed Unit Area covered by said Agreement embraces 25,880.85 acres of land, more or less, more particularly described as follows:

<u>T-4-S, R-25-E, N.M.P.M.</u>	<u>T-5-S, R-25-E, N.M.P.M.</u>
Secs. 1 thru 36; All	Secs. 1 thru 3; All
	Sec. 10; N $\frac{1}{2}$
	Sec. 11; N $\frac{1}{2}$
	Sec. 12; N $\frac{1}{2}$

Chaves County, New Mexico

2. That of the lands embraced within the proposed Unit, 10,756.37 acres are lands of the United States, being 41.56% of the Area; 11,540.69 acres are State of New Mexico lands being 44.59% of the Area, and 3,583.79 acres are Fee Lands being 13.85% of the Unit Area.

3. That Applicant is informed and believes, and upon such information and belief states, that the proposed unit area covers all or substantially all of the geological feature involved, and that in the event of a discovery of oil and gas thereon, that said Unit Agreement will permit the producing area to be developed or operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That Yates Petroleum Corporation is designated as the Unit Operator in said Unit Agreement, and, as such, is given authority under the terms thereof to carry on all operations necessary for the development and operation of the Unit Area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides for the drilling of an Initial Test Well to a depth sufficient to penetrate the basement granite, but applicant is not obligated to drill said well in any event to a depth in excess of 6,000 feet.

5. That the applicant believes that in the event oil or gas is discovered in paying quantities on lands within the Unit Area, that the field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that maximum recovery will be obtained of unitized substances and that said Unit Agreement is in the interest of conservation of prevention of waste as contemplated by the New Mexico Oil Conservation rules and regulations.

6. That Application for Approval of said Unit Agreement has been filed with the Commissioner of Public Lands.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval by the United States Department of Interior, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of said Unit Agreement, and that upon said hearing, said Unit Agreement be approved by the New Mexico Oil Conservation Division as being in the interest of conservation and the prevention of waste. Applicant respectfully requests that this matter be heard at the first available hearing following this date.

DATED this 9th day of August, 1979.

YATES PETROLEUM CORPORATION

By Randolph M. Richardson III  
Randolph M. Richardson, III  
Attorney At Law  
P. O. Box 819  
Roswell, New Mexico 88201