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OIL CONSERVATION DIVISION
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October 10, 1989

Energy, Minerals and Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

97921

Re: Remuda State Unit
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Remuda State Unit Area, Lea County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on November 1, 1989.

Thank you.

Very truly yours,

FISK & VANDIVER



David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Mr. Cy Cowan

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR APPROVAL OF A UNIT AGREE- :
MENT, REMUDA STATE UNIT AREA, :
LEA COUNTY, NEW MEXICO :
_____ :

CASE NO. 9794

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Lea County, New Mexico:

Township 10 South, Range 33 East, N.M.P.M.

Section 5: W/2 SE/4, SW/4
Section 7: Lots 1, 2, 3, 4 (W/2 W/2),
E/2 W/2, E/2
Section 8: All
Section 9: All
Section 16: All
Section 17: NE/4

containing 2,962.61 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Remuda State Unit. The unit consists entirely of state lands.

3. The ratification or approval of all leasehold owners, including the State of New Mexico, required to ratify such unit agreement will be forthcoming prior to the effective date of any order issued pursuant to this Application by the Division.

4. The approval of this Application is in the interest of conservation and will prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Division enter its order approving the Remuda State Unit Agreement, with Applicant as operator, as an exploratory unit embracing the above described lands.

C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By:


David R. Vandiver

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Attorneys for Applicant