BEFORE THE OIL CONSERVATION DIVISION

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MAY 22 1989

OF THE STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, DESANA UNIT AREA, EDDY COUNTY, NEW MEXICO

case no. 9688

APPLICATION

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

1. Applicant is the operator of a portion of the following lands in Eddy County, New Mexico:

Township 18 South, Range 24 East, N.M.P.M.

Section 8: S/2 Section 17: All Section 18: E/2

containing 1,280 acres, more or less.

- 2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Desana Unit. The Unit consists of federal and state lands.
- 3. The ratification or approval of all leasehold owners, including the State of New Mexico and Bureau of Land Management, 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 Desana 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

David R. Vandiver

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