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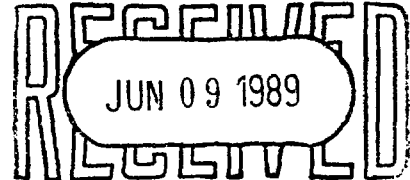
FAX  
(505) 746-4208

June 8, 1989

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Attention: Ms. Susan Howarth

Re: Drover State Unit  
Lea County, New Mexico



Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for preliminary approval of the Drover State Unit, Lea County, New Mexico. This exploratory unit consists entirely of state lands. Submitted herewith are the following:

1. Two copies of the draft Unit Agreement, with Exhibits "A" and "B".
2. Draft of the Unit Operating Agreement.
3. Geological Explanation in duplicate, with maps.

On behalf of the Applicant, it is hereby alleged:

- A. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
- B. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
- C. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
- D. That such unit agreement is in other respects for the best interest of the trust.

YATES PETROLEUM CORPORATION  
Case No. 9690  
6/21/89 Examiner Hearing  
Exhibit No. 4

Commissioner of Public Lands

June 8, 1989

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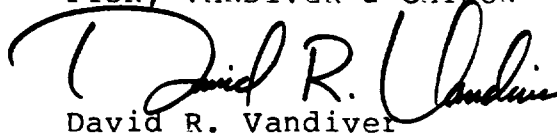
Our check in the amount of \$300, representing \$30 for each section or fractional part thereof, is also enclosed.

Please contact me if you have any questions or requirements. This application is set for hearing before the New Mexico Oil Conservation Division on June 21, 1989. One of the state leases has an expiration date of July 1, 1989, and eight of the leases have an expiration date of August 1, 1989, so your early review of this proposed unit will be appreciated.

Thank you for your cooperation in this matter.

Very truly yours,

FISK, VANDIVER & CATRON

  
David R. Vandiver

DRV:pvw  
Enclosures

cc: Mr. Cy Cowan