

**HEYCO**

**PETROLEUM PRODUCERS**



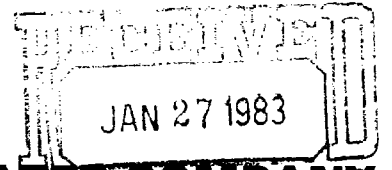
**HARVEY E. YATES COMPANY**  
SANTA FE

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201



January 26, 1983

*Case 7507*

Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attention: Florine Davidson

Dear Florine:

Enclosed are two applications for a hearing. Please  
set them for hearing on the same date.

Sincerely,

Thomas J. Hall, III  
Attorney

TJH/jft  
Enclosures

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

IN THE MATTER OF THE APPLICATION :  
OF HARVEY E. YATES COMPANY :  
FOR APPROVAL OF THE BUFFALO LAKE : Case No. 7507  
UNIT AGREEMENT, :  
CHAVES COUNTY, NEW MEXICO :

APPLICATION

COMES NOW HARVEY E. YATES COMPANY by its attorney and respectfully states:

1. Applicant seeks approval of the proposed unit agreement for development and operation of the Buffalo Lake Unit, Chaves County, New Mexico. A copy of said proposed unit agreement is attached hereto as Exhibit A.

2. The proposed unit area and unitized formations covered by said unit agreement are as follows:

Township 15 South, Range 27 East, N.M.P.M.

Section 7: All  
Section 8: All  
Section 17: All  
Section 18: All

Containing 2,556.80 acres more or less, from the surface to all depths,

3. The Mineral ownership within the proposed unit area is as follows:

United States	:	599.07 acres,	23.43%	of Unit Area
State of New Mexico	:	320.00 acres,	12.52%	of Unit Area
Patented (Fee) Lands:		1,637.73 acres,	64.05%	of Unit Area

4. 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 unitized substances.

5. Applicant 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.

6. Said unit agreement provides for the drilling of an initial test well to a depth sufficient to test the Mississippian-Chester formation, but applicant is not obligated to drill said well in any event to a depth in excess of 9,100 feet.

7. 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 of unitized substances will be obtained, and that said unit agreement will promote conservation and the prevention of waste as contemplated by the statutes of the State of New Mexico and the rules and regulations of the division.

8. Upon an order being entered by the division approving said unit agreement, and after approval of the same by the United States Minerals Management Service and by the Commissioner of Public Lands of the State of New Mexico, an approved copy will be filed with the division.

WHEREFORE, applicant respectfully requests:

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

B. That upon such hearing, the division enter its order approving said unit agreement as being in the interest of conservation and the prevention of waste.

C. For such further relief as the division deems just and proper.

DATED this 26 day of January, 1983.

HARVEY E. YATES COMPANY

By: Thomas J. Hall III  
Thomas J. Hall III  
Attorney for Applicant  
P. O. Box 1933  
Roswell, New Mexico 88201

OCD-1 #21