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January 11, 1990

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

Re: Bittersweet Unit
Chaves County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Bittersweet Unit Area, Chaves 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 February 7, 1990.

Thank you.

Very truly yours,

FISK & VANDIVER

David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Ms. Kathy Porter

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, BITTERSWEET UNIT AREA, :
CHAVES COUNTY, NEW MEXICO :
_____ :

CASE NO. 177

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 Chaves County, New Mexico:

Township 9 South, Range 26 East, N.M.P.M.

Section 21: S/2
Section 28: All
Section 29: S/2
Section 33: N/2 NW/4, SE/4 NW/4

containing 1,400 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Bittersweet 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 Bittersweet 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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