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December 28, 1990

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

> Re: Proposed Blackwater 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, Blackwater 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 January 24, 1991.

Thank you.

Very truly yours,

EISK & VANDIVER

David R. Vandiver

DRV:pvw Enclosures

cc w/enclosure: Mr. Rob Bullock

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 16321

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 21 East, N.M.P.M.

Sections 1 through 36: All

Township 9 South, Range 22 East, N.M.P.M.

Sections 1 through 36: All

containing 46,080 acres, more or less.

- 2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Blackwater Unit. The unit consists of federal and 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 Blackwater 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

Y: ______

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Attorneys for Applicant