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August 27, 1991

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 16383 RECEIVED

AUG 2 1991

OIL CONSERVATION DIVISION

Re: In the Matter of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case. Stevens Operating Corporation respectfully requests that this matter be placed on the docket for the September 19, 1991 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc w/enclosures:

Mr. Michael R. Burch

Landman

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

APPLICATION

Yates Petroleum Corporation, through its undersigned attorneys, hereby makes application for an order approving its Moonshine State Unit Agreement and in support of this application would show the Division:

1. That the proposed Unit Agreement consists of 4,800 acres, more or less, of State and Fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 18 South, Range 36 East

Sec. 32: All

Sec. 33: W/2, SE/4

Sec. 35: SW/4

Township 19 South, Range 36 East

Sec. 3: All

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Sec. 4: All

Sec. 5: All

Sec. 9: All

Sec. 10: All

Sec. 16: N/2

2. That the Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. That the Applicant, Yates Petroleum Corporation, is designated as Unit

Operator in said Unit Agreement and all oil and gas in any and all formations.

4. That prior to hearing the Unit Agreement will be reviewed with the State

Land Office for its approval as to form and content.

5. That the proposed Unit Area covers all, or substantially all, of the geological

structures or anomaly involved.

6. In the event said Unit Agreement is approved and production of unitized

substances is obtained, it is believed that said Unit Agreement will be in the interest of

conservation and the prevention of waste, and that it will protect the correlative rights of

all parties concerned.

WHEREFORE, Yates Petroleum Corporation requests that this application be set

for hearing before an Examiner of the Oil Conservation Division on September 19, 1991

that notice be given as required by law and the rules of the Division, and that the

Moonshine State Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

WILLIAM F. CARR

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ATTORNEYS FOR YATES PETROLEUM CORPORATION

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