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JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 December 13, 1995 TELECOPIER: (505) 983-6043

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503

1144

Re: 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 abovereferenced case as well as a copy of the legal advertisement. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the January 11, 1996 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mr. Robert Bullock Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

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DEC 1 4 1995

OF Conservation Division

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

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CASE NO. //444

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby makes application for an order approving its Morton Exploratory Unit Agreement and in support of this application states:

1. That the proposed Unit Agreement consists of 2,178.68 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 14 South, Range 35 East, N.M.P.M.

Section 32:	All
Section 33:	SW/4

Township 15 South, Range 35 East, N.M.P.M.

Section	4:	W/2, W/2 SE/4
Section	5:	All
Section	6:	E/2

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

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3. The Applicant, Yates Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

5. Prior to hearing the proposed Unit Agreement will be reviewed with the State Land Office for its approval as to form and content.

6. Said Unit Agreement and the unitized operation and management of the Unit Area 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 January 11, 1996 that notice be given as required by law and the rules of the Division, and that the Morton Exploratory Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By: 1

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM CORPORATION

CASE NO. $\cancel{\mu} \cancel{\mu} \cancel{\mu} \cancel{\mu}$: Application of Yates Petroleum Corporation for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres of State and Fee lands in Sections 32 and 33 of Township 14 South, Range 35 East and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

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Oil Conservation Division