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October 29, 1996

HAND-DELIVERED

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

1105B

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 above-referenced 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 November 21, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Ms. Mecca Mauritsen
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

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

CASE NO. 11658

APPLICATION

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

1. The proposed Unit Agreement consists of 1,920.00 acres, more or less, of State lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 21 South, Range 35 East, N.M.P.M.

Section 26:	All
Section 27:	All
Section 34:	All

2. 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. 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 November 21, 1996, that notice be given as required by law and the rules of the Division, and that the Treat State Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

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ATTORNEYS FOR YATES
PETROLEUM CORPORATION

CASE NO. 17653 Application of Yates Petroleum Corporation for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Treat State Unit Agreement for an area comprising 1,920.00 acres of State and Fee lands in Sections 26, 27, and 34 of Township 21 South, Range 35 East, which is located approximately _____ miles _____ of _____, New Mexico.