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January 11, 2000

**HAND-DELIVERED**

12336

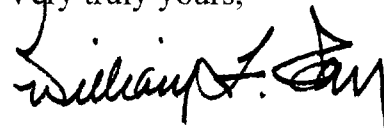
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

Re: Application of Yates Petroleum Corporation for approval of a Unit Agreement,  
Lea County, New Mexico

Dear Ms. Wrotenbery:

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 requests that this matter be placed on the February 3, 2000, 1999 Examiner Hearing docket.

Very truly yours,



WILLIAM F. CARR

WFC/md  
Enclosures

cc: Mr. Robert Bullock  
Yates Petroleum Corporation

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

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

CASE NO. \_\_\_\_\_

12336

00 JAN 11 11:04 AM  
OIL CONSERVATION DIVISION

**APPLICATION**

YATES PETROLEUM CORPORATION ("Yates"), through its undersigned attorneys, hereby makes application for an order approving its Shinnery State Unit and in support of this application states:

1. That the proposed Unit consists of 2360 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 9 South, Range 34 East, N.M.P.M.**

Section 32: All

**Township 10 South, Range 34 East, N.M.P.M.**

Section 4: SW/4

Section 5: All

Section 8: S/2, NW/4, S/2 NE/4, NW/4 NE/4

Section 9: W/2

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 the all formations are unitized.

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

5. 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 February 3, 2000, that notice be given as required by law and the rules of the Division, and that the Shinnery State Unit be approved.

Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

CASE NO. 12336: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Shinnery State Unit for an area comprising 2360 acres of State of New Mexico lands in Section 32 of Township 9 South, Range 34 East, and Sections 4, 5, 8 and 9 of Township 10 South, Range 34 East, NMPM which is located approximately 5 miles southwest of crossroads, New Mexico.

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