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June 6, 2000

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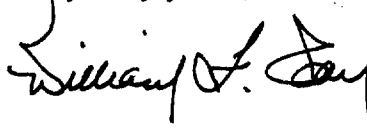
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

***Re: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves 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 June 29, 2000 Examiner Hearing docket.

Very truly yours,



William F. Carr

WFC/md

Enclosures

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

134413

CL CARR, WFC  
JUN 15 11:12 AM '00

**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,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO.** 12443

00 JUN - 6 PM 12:12

NO. 0015-24701 DA

**APPLICATION**

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

1. That the proposed Unit consists of 3,200 acres, more or less, of State of New Mexico and fee lands, situated in Chaves County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 8 South, Range 33 East, N.M.P.M.**

Section 23:	S/2
Section 25:	W/2
Section 26 and 27:	All
Section 34 and 35:	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 the all formations are unitized.

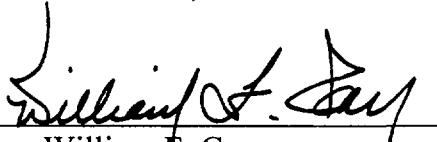
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

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 June 29, 2000, that notice be given as required by law and the rules of the Division, and that the Diamond State Unit be approved.

Respectfully submitted,

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

By:   
William F. Carr

ATTORNEY FOR YATES PETROLEUM  
CORPORATION

CASE NO. 12443.

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Tres Canal State Exploratory Unit for an area comprising 3200 acres of State of New Mexico and fee lands in Sections 23, 25, 26, 27, 34, and 35 of Township 8 South, Range 33 East, NMPM which is located approximately 12 miles northwest of Crossroads, New Mexico.