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October 16, 2001

HAND-DELIVERED

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

Case 12761

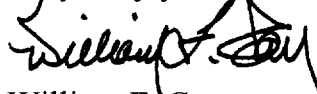
01 OCT 16 PM 3:42
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Re: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico

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 November 15, 2001 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Ms. Kathy Porter
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. 12761

OIL CONSERVATION DIV.
OCT 16 PM 3:12

APPLICATION

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

1. That the proposed Unit consists of 2880 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 12 South, Range 34 East, N.M.P.M.

Section 33: All
Section 34: All
Section 35: All

Township 13 South, Range 34 East, N.M.P.M.

Section 2: All
Section 11: 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.

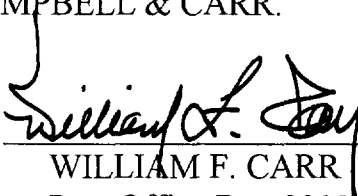
5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 15, 2001, that notice be given as required by law and the rules of the Division, and that the Mocha State Unit be approved.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR.

By:



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

ATTORNEYS FOR YATES PETROLEUM
CORPORATION

CASE NO. 1276: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Mocha State Unit for an area comprising 2880 acres of State of New Mexico lands in Sections 33, 34 and 35 of Township 12 South, Range 34 East, and Section 2 and 11 of Township 13 South, Range 34 East, NMPM, which is located approximately 9.5 miles southwest of Tatum, New Mexico.