

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
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EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 4, 2003

Oil Conservation Division
1301 W. Grand Ave
Artesia, NM 88210
Attn: Tim Gum

RECEIVED

NOV 06 2003

HOLLAND & HART LLP

RE: Vandiver Com #1 C-104A (Change of Operator)
API # 30-015-20783
Township 18 South, Range 26 East, N.M.P.M
Section 18: Lot 4 and SE/4 SW/4 (S/2 SW/4)
Eddy County, New Mexico

Dear Mr. Gum,

Yates Petroleum received a copy of an approved C-104A dated July 28, 2003 designating C.W. Trainer operator of the above referenced well. We object to the district changing the operator without our consent and request this C-104A be rescinded immediately.

I've attached copies of previous documents sent to the OCD and contrary to Mr. Lasley's letter, Yates was maintaining the leases. Should there be a dispute of ownership of the oil and gas leases, it will be settled between Mr. Trainer and Yates Petroleum Corporation in district court.

We appreciate your prompt attention in this matter. If you have any questions please call me at (505) 748-4205.

Sincerely,

Michelle Taylor
Regulatory Compliance Manager

cc: Randy Patterson
Bill Carr

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13270 Exhibit No. 5
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: July 8, 2004