



August 28, 2008

VIA HAND-DELIVERY

Mr. Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 13940: Application of Yates Petroleum Corporation, Yates Drilling Company, ABO Petroleum Corporation, and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico.

Dear Mr. Fesmire;

Yates Petroleum Corporation et al. request that the hearing on the above-referenced application, currently scheduled for September 4, 2008, be continued to the Oil Conservation Division Examiner hearing scheduled for December 4, 2008. Yates requests this length of a continuance because Pride Energy Company is currently remediating the well site as is shown by the attached letter from Pride to the Division. James Bruce, attorney for Pride Energy Company, concurs in this request.

Your attention to this matter is appreciated.

Very truly yours,

Ocean Munds-Dry
Attorney for Yates Petroleum Corporation et al.

cc: James Bruce, Esq.
Attorney for Pride Energy Company

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2008 AUG 28 PM 3 25

FAXED
6/6/08

PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • www.pride-energy.com

Physical Address: Kensington Tower
2250 East 73rd Street, Suite 550
Tulsa, OK 74136

Mailing Address: P.O. Box 701950
Tulsa, OK 74170-1950
Email Address: mattp@pride-energy.com

June 6, 2008

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

3 Total Pages
(505) 476-3462 (Fax)
(505) 476-3440 (O)
Via Fax and E-mail
maxeyg.brown@state.nm.us

ATTN: Maxey Brown
Compliance Officer

RE: 1. State X No. 001
API #: 30-025-01838
Section 12-12S-34E: Unit Letter E
2. South Four Lakes Unit No. 016
API #: 30-025-37248
Section 2-12S-34E: Unit Letter J

Dear Maxey:

In reference to your letter dated May 29, 2008, copy attached, please note that the plug and abandon markers for each of these wells now have the API # on each marker. The drilling waste from the drilling pits has been disposed of in a manner approved by NMOCD and the open excavation is part of an investigation and restoration program under Rule 19, which is managed by OCD's Santa Fe environmental bureau.

Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,

Matthew L. Pride

Matthew L. Pride
Pride Energy Company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

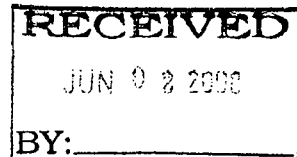
Director

Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"



29-May-08

PRIDE ENERGY COMPANY

P.O. BOX 701602

TULSA OK 74170-1602

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

STATE X No.001				E-12-12S-34E	30-025-01838-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
05/28/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	8/31/2008 iMGB0814947710
Comments on Inspection: DO NOT RELEASE. RULE 202. DRILLING PITS HAVE NOT BEEN CLOSED. ALSO P/A MARKER NEEDS API #. THIS IS 1ST LETTER OF NON-COMPLIANCE.					
SOUTH FOUR LAKES UNIT No.016				J-2-12S-34E	30-025-37248-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
05/28/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	8/31/2008 iMGB0814948009
Comments on Inspection: DO NOT RELEASE. RULE 202. MARKER NEEDS API #. ALSO LOCATION HAS NOT BEEN LEVELED. THIS IS 1ST LETTER OF NON-COMPLIANCE.					

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.