KELLAHIN AND KELLAHIN

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

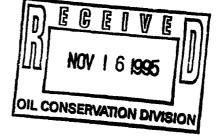
ATTORNEYS AT LAW EL PATIO BUILDING II7 NORTH GUADALUPE POST OFFICE BOX 2265 SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

November 16, 1995

HAND DELIVERED

Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505



Attn: Mr. Michael E. Stogner

Re: <u>RENEWED REQUEST FOR SHUT-IN ORDER</u>: NMOCD CASE NO. 11283 Application of Yates Petroleum Corporation to amend Order R-9976-A approving an unorthodox gas well location for its Catterson "SS" Federal Well No. 7 Unit I Section 33, T7S-R26E, NMPM Chaves County, New Mexico

Dear Mr. Stogner:

On behalf of Tide West Oil Company, I wish to express our concern that the referenced Yates' well completed on March 3, 1995 continues to be produced at an unauthorized unorthodox well location while we await the entry of an order in companion Case 11355.

Because the Yates' well is typical of Pecos Slope-Abo Gas Pool wells, it will produce an estimated 75% of its total gas recovery within the first eighteen to twenty four months. The delay in resolving this issue is having adverse affects upon the correlative rights of Tide West Oil Company.

On May 9, 1995, on behalf of Tide West Oil Company, I requested the Division to order Yates Petroleum Corporation to cease producing the referenced well pending a final order in this dispute. The Division denied that request and Yates has continued to produce the subject well. Mr. Michael E. Stogner, NMOCD November 16, 1995 Page 2.

On August 10, 1995, the Division heard the referenced case and companion Case 11355 in which Tide West Oil Company applied for permission to drill at an unorthodox well location an offset drainage protection well.

It now has been in excess of 90 days since that hearing and no order has been entered and the Yates well continues to subject the Tide West acreage to drainage with no approval for Tide West to drill its protection well.

Accordingly, we renew our request to have the Division order Yates to shut in this well and to cease producing said well until Tide West can drill, complete and produce its well and that the Division adopt to order proposed by Tide West which was submitted to the Division on August 30, 1995.

Very truly W. Thomas Kellahin

cc: William J. LeMay, Director NMOCD
cc: William F. Carr, Esq. Attorney for Yates Petroleum Corporation
cc: Tide West Oil Company (Tulsa) Attn: Bob VonRhee

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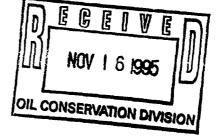
ATTORNEYS AT LAW EL PATIO BUILDING 117 NORTH GUADALUPE POST OFFICE BOX 2265 SANTA FE, NEW MEXICO 87504-2265

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November 16, 1995

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