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March 6, 1996

HAND-DELIVERED

Michael E. Stogner, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

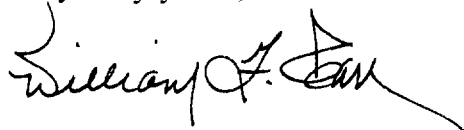
Re: Oil Conservation Division Case No. 11339:
Application of Yates Petroleum Corporation for Directional Drilling and
Unorthodox Bottomhole Locations, Eddy County, New Mexico

Dear Mr. Stogner:

As you are aware, the unorthodox bottomhole locations and directional drilling of the Yates Zinnia Federal Unit Well No. 1 were approved by Administrative Order DD-132(NMBHL) dated February 22, 1996. Yates Petroleum Corporation respectfully requests that Case No. 11339 be dismissed.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

cc: Mr. Randy Patterson

