

OIL CONSERVATION DIVISION

July 12, 1995

Losee, Carson, Haas & Carroll
Attn: Ernest L. Carroll
P. O. Box 239
Artesia, New Mexico 88211-0239

Telefax No. (505) 982-2047

Case 11357

Kellahin and Kellahin
Attn: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

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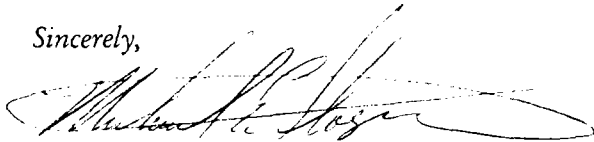
- Re: Upcoming Case No. 11,332, Application of Yates Petroleum Corporation to rescind Division Order No. R-10372 which authorized the unorthodox location of its Aspen "AOH" Federal Com Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 9, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico;
- Re: Division Order No. R-10372, issued in Case No. 11,235, Application of Yates Petroleum Corporation for an unorthodox oil well location and for simultaneous dedication, Eddy County, New Mexico; and,
- Re: Administrative application of Yates Petroleum Corporation dated June 19, 1995 for approval to directionally drill said Aspen "AOH" Well No. 2, Eddy County, New Mexico.

Dear Messrs. Carroll and Kellahin:

Reference is made to your letters on behalf of Conoco, Inc. and Yates Petroleum Corporation dated July 6 and 11, 1995 concerning the aforementioned matters, the subject administrative application will now be assigned a separate case number and will be set for hearing on the next available Division examiners hearing scheduled for August 10, 1995. Since this request also involves the same well and subject matter to be considered in upcoming Case 11,332, said case shall be continued from the July 13, 1995 docket to the August 10, 1995 hearing.

Should either of you have any further questions or comments concerning this matter, please contact me at (505) 827-8185. Thank you.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe
Rand Carroll, Counsel - OCD, Santa Fe
Florene Davidson - OCD, Santa Fe