MARTIN MATES IN DIVISION
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FRANK W. YATES
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S. P. YATES
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TREASURER

October 10, 1995

10951

TO: Interest Owners in the Pecos Slope-Abo Gas Pool Area

Gentlemen:

Yates Petroleum Corporation hereby notifies you that it has filed an application at the New Mexico Oil Conservation Division seeking the adoption of Special Pool Rules and Regulations for the Pecos Slope-Abo Pool including provisions authorizing the drilling of an optional additional well on each spacing and proration unit, and other provisions necessary to implement infill drilling in this pool. The Pecos Slope-Abo Gas Pool currently comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

This case has been set for hearing before a Division Examiner on November 2, 1995 in the City Council Chambers on the Second Floor of the Roswell City Hall, 425 North Richardson Street, Roswell, New Mexico 88201.

At the November 2, 1995 Examiner Hearing, Yates will also review the geologic and engineering data acquired from its Pilot Infill Drilling Program in the portions of the Pecos Slope-Abo Gas Pool which it has operated pursuant to Division Order Nos. R-9976 and R-9976-A entered in Case Nos. 10793, 10981 and 11004.

You are not required to attend this hearing, but as the owner of an interest which may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record could preclude you from challenging the matter at a later date.

Parties appearing in cases before the Division have been requested to file a Prehearing Statement substantially in the form prescribed by the Oil Conservation Division Memorandum 2-90. Prehearing Statements should be filed by 4:00 p.m. on the Friday before a scheduled hearing.

Very truly yours,

YATES PETROLEUM CORPORATION

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