

SANDERS PETROLEUM CORPORATION

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OIL CONSERVATION DIVISION
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August 11, 1995

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

ATTENTION: Ms. Florene Davidson

REFERENCE: Hearing Notice dated August 4, 1995
Division Orders Nos. R-9976 and R-9976-A
Case Nos. 10793, 10981, and 11004

Gentlemen:

In conjunction with our various conversations regarding the captioned, Sanders Petroleum Corporation is in agreement with Yates Petroleum Corporation's infill drilling program in the Pecos Slope Abo Field area and will support the application to either integrate the South and West Pecos Slope Field areas into the Pecos Slope Field Rules or leave the field the field names and incorporate the 80 acre spacing.

Sanders Petroleum requests the OCD grant Sanders Petroleum an opportunity to speak in support of the proposal during the proposed hearing.

Very truly yours,

SANDERS PETROLEUM CORPORATION

Bill J. Milstead
Land Manager

cc. Yates Petroleum Corporation