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JASON KELLAHIN (RETIRED 1991)

February 17, 1997

HAND DELIVERED

Mr. William J. LeMay, Chairman
Mr. William W. Weiss, Member
Ms. Jamie Bailey, Member
Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

*Re: NMOCD Case 11677
Application of Yates Petroleum Corporation
for Compulsory Pooling, Eddy County, New Mexico*

*Re: NMOCD Case 11656
Application of InterCoast Oil and Gas Company,
for Compulsory Pooling, Eddy County, New Mexico*

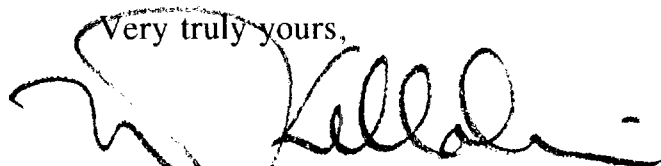
Dear Commissioners:

On behalf of Yates Petroleum Corporation, please find enclosed our proposed order for entry in the referenced matters.

In addition, Mr. Bruce informed me this morning that InterCoast ("Medallion") has no objection to the Commission adding a two week extension onto the current election deadline of February 26, 1997.

Yates believes that all parties should have an opportunity to make an election **after** the Commission has entered its order in this case and therefore will defer to the Commission to determine an appropriate extension.

Very truly yours,



W. Thomas Kellahin

cfx:

James Bruce, Esq.

Attorney for InterCoast

Lyn Hebert, Esq.

Attorney for Commission

cfx: Yates Petroleum Corporation

Attn: Mecca Mauritsen