MJ 10-21-98

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON JAMES E. HAAS JOHN M. WYLIE OF COUNSEL A. J. LOSEE 311 WEST QUAY AVENUE P. O. BOX 1720

ARTESIA, NEW MEXICO 88211-1720

TÉLEPHONE (505) 746-3505

FACSIMILE (505) 746-6316

October 16, 1998

VIA FACSIMILE AND FIRST CLASS MAIL

Ms. Lori Wrotenberry, Director New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87505-5472

Re: Application of Yates Petroleum Corporation for Compulsory

Pooling and Unorthodox Well Location, Lea County; Case No.

12057

Dear Ms. Wrotenberry:

Enclosed, please find a Motion for Partial Dismissal for filing in the captioned cause of action.

Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

- med I Caroll

Ernest L. Carroll

ELC:kth Encl.

cc: Mr. Rob Bullock (w/encl.)

Mr. Scott Hall (w/encl.)

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO

CASE NO. 12057

MOTION FOR PARTIAL DISMISSAL

COMES NOW the Applicant, Yates Petroleum Corporation, by and through counsel undersigned, and respectfully requests that the forced pooling portion of the Amended Application on file herein be dismissed, and as its reasons therefor would state that Texaco, the only party affected by the forced pooling issue, has entered into a farmout agreement with Yates Petroleum Corporation, and there is therefore no longer a necessity for compulsory pooling.

WHEREFORE, Applicant respectfully requests the New Mexico Oil Conservation dismiss the compulsory pooling portion of the Amended Application on file herein.

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernoct I Corro

P.O. Box 1720

Artesia, NM 88211-1720

(505)746-3505

Attorneys for Applicant

I hereby certify that I caused a true and correct copy of the foregoing pleading to be mailed to counsel of record this October 16, 1998.

Ernest L. Carroll