



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 27, 1999

**Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210**

Attention: Robert Bullock

Re: *Administrative application dated October 7, 1999 for an exception to Division Rule 104.C(2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to re-enter the plugged and abandoned Hanson Operating Company, Inc. Yates Valley State Com. Well No. 1 (API No. 30-005-62691), to be redesignated the Yates Valley "ATM" State Well No. 1, which is located at an unorthodox gas well location 1650 feet from the North line and 2310 feet from the East line (Unit G) of Section 36, Township 10 South, Range 26 East, NMPM, Chaves County, New Mexico.*

Dear Mr. Bullock:

This application has been set for hearing pursuant to Rule 104.F(5), it will therefore be set on the next available docket scheduled for November 18, 1999.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Kathy Valdes, NMOCD - Santa Fe
Mr. Randy Patterson, Yates Petroleum Corporation - Artesia
Mr. William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe
Ms. Lori Wrotenbery, Director NMOCD - Santa Fe