



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

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

October 20, 1999

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

12291

Attention: Robert Bullock

Re: Administrative application 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 and deepen the plugged and abandoned R. L. Burns Corporation Witt Well No. 1 (API No. 30-025-24559), to be redesignated the R. T. Burns "ATL" Well No. 1, to the Mississippian formation at an unorthodox gas well location 330 feet from the South and East lines (Unit P) of Section 11, Township 16 South, Range 35 East, NMPM, Undesignated North Townsend-Mississippian Gas Pool, Lea County, New Mexico.

Dear Mr. Bullock:

On October 18, 1999 the Division received an objection from Chesapeake Operating, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner 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 - Hobbs
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
W. Thomas Kellahin, Legal Counsel for Chesapeake Operating, Inc. - Santa Fe

KELLAHIN AND KELLAHIN

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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 18, 1999

HAND DELIVERED

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**
R. L. Burn ATL Well #1 (re-entry)
E/2 Section 11, T16S R35E, NMPM,
Administrative Application of Yates Petroleum Corporation
for Approval of Unorthodox Gas Well
Location, Lea County, New Mexico

Case 12291

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OIL CONSERVATION DIV.

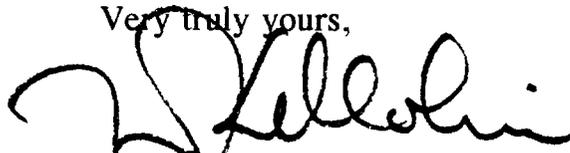
Dear Mr. Stogner:

By letter dated September 29, 1999 and received by Chesapeake Operating Inc. on October 4, 1999, Yates Petroleum Corporation sent notification to the offsetting operators of the referenced request.

On behalf of Chesapeake Operating Inc., as an offsetting operator, we hereby object to the application of Yates Petroleum Corporation for an unorthodox gas well location for its R. L. Burns ATL Well No. 1 as described in its administrative application to the Division which we believe was sent to the Division on September 29, 1999.

We request that this matter be set for hearing and that Chesapeake be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cfx: Chesapeake Operating Company
Attn: Lynda Townsend
cfx: Yates Petroleum Corporation
Attn: Robert Bullock