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March 13, 2001

HAND DELIVERED

David R. Catanach, Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

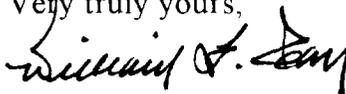
Re: Case No. 12596: Application of Yates Petroleum Corporation for pool contraction, pool creation or, in the alternative, amendment of the Special Pool Rules and Regulations for the Feather-Morrow Pool, Lea County, New Mexico.

Dear Mr. Catanach;

Following the February 22, 2001 Examiner Hearing in the above-referenced case, Yates Petroleum Corporation again reviewed the status of the acreage which would be dedicated to each well located in the Feather-Morrow Pool the spacing is increased from 40-acre to 160-acre spacing units. Based on this review, we can advise that each of the spacing units which would result from an increase to 160-acre spacing would be located on a single lease. Therefore, increasing the spacing units to 160-acres for each of the wells in this pool should not change the ownership of any well or the production from that well. Accordingly, it is Yates understanding that the correlative rights of no interest owner in the pool should be adversely affected by the approval of this application.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr

cc: Randy Patterson
Yates Petroleum Corporation