



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

January 7, 2003

Mr. William F. Carr
Holland & Hart
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87505

Dear Mr. Carr:

Based upon the reasons stated in your letter of January 7, 2003, and in accordance with the provisions of Division Order No. R-11842, Yates Petroleum Corporation is hereby granted an extension of time until April 30, 2003, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12912
OCD – Artesia

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William F. Carr

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January 7, 2003

VIA HAND DELIVERY

Lori Wrotenbery, Chairman
Oil Conservation Commission
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

OL CONSERVATION
COMMISSION
JAN 13 2003

Re: Oil Conservation Division Case No. 12912: Application of Yates
Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.

Dear Ms. Wrotenbery;

On October 4, 2002, the Division entered Order No. R-11842 which granted the application of Yates Petroleum Corporation in the above-referenced case pooling all uncommitted interests from the surface to the base of the Morrow formation underlying the certain spacing and proration units in the S/2 of Section 25, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. These pooled units are to be dedicated to the Louise AYI Well No. 1 which Yates proposes to drill at a standard gas well location 1630 feet from the South line and 682 feet from the East Line (Unit I) of said Section 25 to test all formations to the base of the Morrow formation.

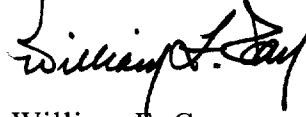
Order R-11842 provides that in the event Yates does not commence drilling operations on or before January 31, 2003, this pooling order shall be of no effect unless Yates obtains a time extension from the Division Director for good cause. The purpose of this letter is to request a 90-day extension of Order No. R-11842.

Yates intends to drill the Louise AYI Well No. 1 as proposed. However, it has encountered delays in obtaining and scheduling the rig for this well. Yates will be unable to commence drilling prior to the current deadline set by Order No. R-11842. An extension of Order No. R-11842 from January 31, 2003 to April 30, 2003 is therefore needed.

Letter to Lori Wrotenbery
January 7, 2003
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Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large, stylized initial "W".

William F. Carr

cc: Ms. Janet Richardson
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210