

LAW OFFICES OF
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February 24, 1992

TELEPHONE
505-622-5440

TELECOPIER
505-622-5853

Phillips Petroleum
4001 Penbrook
Odessa, TX 79762

Re: Notice of Hearing - Unorthodox Location - Mojave "AJY" Com #1
Section 35: All, Township 20-1/2 South, Range 23 East, N.M.P.M.
Eddy County, New Mexico
Rule 104, Well Spacing (F) Unorthodox Locations

This law firm represents Yates Petroleum Corporation in connection with its application to the Oil Conservation Division for approval of an unorthodox location. This letter is to serve as official notice that it is the intent of Yates Petroleum Corporation (Applicant) to complete a well drilled 990 F.N.L. and 660 F.E.L. of Section 35, Township 20-1/2 South, Range 23 East, N.M.P.M., Eddy County, New Mexico in the Morrow Formation. This well is an offset to Phillips Petroleum leases.

As required by Rule 1207(5) of the State of New Mexico, Energy and Minerals Department, Oil Conservation Division, notice must be given to offset operators. Therefore, please be advised that the hearing is to be held in Santa Fe at the Oil Conservation Division Conference Room on March 19, 1992 at 8:30 a.m. before an OCD Examiner. A number and style of this case will be assigned at a later date and will be forwarded to you upon receipt.

It is requested that Phillips Petroleum consent to the unorthodox location of a Morrow Formation and waive its right to appearance in said hearing. Should this meet with your approval, please sign in the space provided below and return to the above address. Thank you for your cooperation and assistance.

Yours very truly,

SANDERS, BRUIN, COLL & WORLEY, P. A.

Kelly Casdell
Damon Richards

It

cc: Ms. Mecca Mauritsen - Yates Petroleum Corporation
CERTIFIED MAIL/RRR - P 664 426 536

AGREED TO THIS _____ day of _____, 1992.

PHILLIPS PETROLEUM

By: _____

dr/ltr/ocd03

P 664 426 536



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Phillips Petroleum	
Street & No.	
PO, State & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$
Postmark or Date 2/24/92	

PS Form 3800, June 1990

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Phillips Petroleum 4001 Penbrook Odessa, TX 79762	4. Article Number P 664-426-536 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee <i>Betty Burns</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 2-25-92	