

MARTIN YATES, III
1912 - 1986
FRANK W. YATES
1936 - 1986



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TREASURER

March 13, 2002

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87508

Facsimile & Mail
(505-476-3462)

RE: Preliminary Approval
Proposed New Grass State Unit
Lea County, New Mexico

Dear Mr. Catanach:

Please find enclosed the preliminary approval of the New Grass State Unit granted by the Commissioner of Public Lands.

Based upon this preliminary approval Yates Petroleum Corporation respectfully requests an expedited OCD Order due to the first lease expiration being April 1, 2002.

Please call me at 505-748-4351 if you need any further information.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)