November 23, 1987

Energy and Minerals Department

Oil Conservation Division

P. O. Box 2088

Santa Fe, New Mexico

Case No. 9239

Billy "AES" State No. 2 Well

Township 17 South, Range 33 East, NMPM

Section 12: NE/4 NW/4

Lea County, New Mexico

Gentlemen:

Please dismiss the Application of Yates Petroleum Corporation for an Exception to Rule 303(A) to Permit Downhole Commingling, Lea County, New Mexico, covering the above referenced lands, which has been set for the Examiner Hearing of December 2, 1987.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pv

Mr. Jim Brown CC:

Mr. Jerry Sexton