

4834



FAX

Date: Thursday, March 20, 2003
 Number of pages including cover sheet: 4

To: Michael Stogner
NM Oil Conservation Division-

 Phone: _____
 Fax phone: 505-476-3462

From: Bob Asher
105 South Fourth Street
Artesia, New Mexico 88210

 Phone: 505-748-4364
 Fax phone: 505-748-4572

REMARKS: Urgent For your review Reply ASAP Please comment

The following offset operators letters have been received, by Cy Cowan.

Thank you, Bob Asher.

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1988



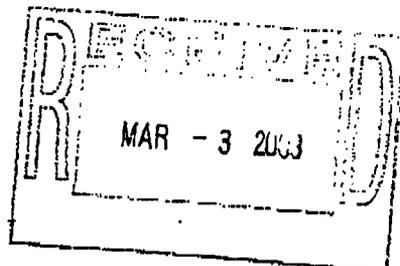
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

February 11, 2003

TO: Addressee List Attached

Certified Mail
Return Receipt Requested



**RE: Offset Operator/Leasehold Notification
Unorthodox Location
Rojo Stripe BAR Federal #1
Township 20 South, Range 23 East
Section 18: 460' FSL & 635' FWL
Eddy County, New Mexico**

Gentlemen:

Yates Petroleum Corporation has been advised by the Artesia office of the Oil Conservation Division that the Rojo Stripe BAR Federal #1 well is located at an unorthodox location, which is described above. This location does not comply with existing special rules for the Wildcat Morrow and Wildcat Chester Gas Pools which states that no well shall be located closer than 660' feet from an outer boundary of a 320 acre spacing unit. Yates was required by the Bureau of Land Management to move this location to the unorthodox location because of topographic reasons.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Yates Petroleum Corporation's Rojo Stripe BAR Federal #1.

Very truly yours,

YATES PETROLEUM CORPORATION

Cy Cowan
Regulatory Agent

Company: BP America's Production Company

Name: P. M. [Signature]

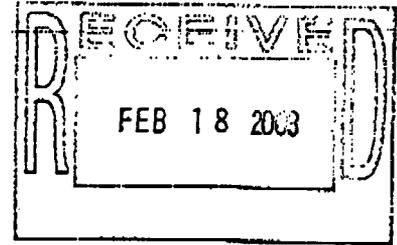
Title: Lawman

Date: 2/24/03

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79706
915/686-8235
Fax 915/686-7806

February 14, 2003



Cy Cowan
Yates Petroleum Company
105 South Fourth Street
Artesia, New Mexico 88210

RE: Unorthodox Location
Yates - Rojo Strip BAR Federal #1
Section 18, T-20-S, R-23-E
Eddy County, New Mexico
Buzzard Canyon Prospect

Dear Mr. Cowan:

Enclosed please find your February 11, 2003 letter, which has been executed on behalf of Nearburg Exploration Company, L.L.C. in regards to the unorthodox location for the captioned well.

If we can of further assistance, please advise.

Very truly yours,

A handwritten signature in cursive script that reads "DeeDee Walton". The signature is written in black ink and is located below the typed name.

DeeDee Walton
Land Secretary

DW/
Enc.

MARTIN YATES, III
1912 - 1988
FRANK W. YATES
1936 - 1986



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Very truly yours,

YATES PETROLEUM CORPORATION

Cy Cowan
Regulatory Agent

Company: Nearburg Exploration Company, L.L.C.

Name: Robert G. Shelton
Robert G. Shelton

Title: Attorney-in-Fact

Date: February 14, 2003