

HOLLAND & HART, LLP
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110 North Guadalupe, Suite 1,
P.O. Box 2208, Santa Fe, New Mexico 87504-2208

Tuesday, October 14, 2003

To: David Catanach
Oil Conservation Division

Fax: 476-3471 *3462*
Phone: 476-3466

From: Katherine E. Hawkins for William F.
Carr

Fax: 505-983-6043
Phone: 505-988-4421

Message:

Per our telephone conversation, attached is a copy of the administrative application filed on November 8, 2002. Thanks.

No record of this application found? 10/14/03

No Confirmation Copy

Number of pages including cover sheet: 9

Note: If this fax is illegible or incomplete please call us. This fax may contain confidential information protected by the attorney-client privilege. If you are not the named recipient, you may not use, distribute or otherwise disclose this information without our consent. Instead, please call (505) 988-4421; we will arrange for its destruction or return.

Attorney Number: 5101	Client/Matter Number: 44519.0049	Time Deadline: _____
Operator Initials: _____	Date Transmitted: _____	Time: _____

*Rec: 10-14-2003
Susp: 11-3-2003*

PMES0-328844494

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William F. Carr

wcarr@hollandhart.com

November 7, 2002

HAND-DELIVERED

API 3000563022

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

Re: Application of Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard gas spacing unit for its Spring Federal Well No. 4 located 660 feet from the North line and 1980 feet from the East line of partial Section 5, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

Dear Ms. Wrotenbery:

Yates Petroleum Corporation, pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a 170.60-acre non-standard gas spacing and proration for the Spring Federal Well No. 4 to be comprised of all of partial Section 5, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico.

Yates proposes to drill this well to test the Strawn, Cisco and Wolfcamp formations. These formations are developed on 320-acre spacing pursuant to the general rules of the Division.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots that lie wholly within a single governmental section and are joined by a common side. Attached is a plat that shows the subject spacing unit and all adjoining spacing units or leases. Also attached is a list of all parties affected by this application.

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

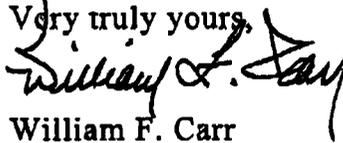
November 7, 2002

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Since this non-standard spacing and proration unit comprises all of partial Section 5, there are no owners in the mineral estate who are excluded from this non-standard unit. On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to all offset operators or mineral interest owners by Certified Mail--Return Receipt Requested. Each of these parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objection are received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Very truly yours,



William F. Carr

cc: Janet Richardson
Yates Petroleum Corporation

NOTIFICATION LIST

**Application of Yates Petroleum Corporation.
administrative approval of
a non-standard spacing or proration unit
Spring Federal Well No. 4
660 feet from the North line and 1980 feet from the East line
70.60 acres (All of Partial Section 5)
Section 5, Township 6 South, Range 26 East, NMPM
Chaves County, New Mexico.**

**Elizabeth Maberry Absher
3001 Monties Lane
Arlington, Texas 76015**

**Branex Resources, Inc.
Post Office Box 2328
Roswell, New Mexico 88202-2328**

**John D. Cadigan
Drawer F
Cashmire, Washington 98815**

**Calto Oil Company
Post Office Box 12266
Dallas, Texas 75225-0266**

**Campbell Investment Company
c/o Pat Greenwade
Post Office Box 3854
Roswell, New Mexico 88202-3854**

**Willie M. Carson
#2 Hummingbird Place
Odessa, Texas 79761**

**Jerry N. Carson
#2 Hummingbird Place
Odessa, Texas 79761**

**S. H. and Marion K. Cavin
Post Office Box 1125
Roswell, New Mexico 88202-1125**

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Suite 600, LB-17
Dallas, Texas 75206

Grover Brothers, Ltd.
c/o Robert Pullman
Expressway Tower, Suite 1000
6116 North Central Expressway
Dallas, Texas 75206

Gruy, LLC
8222 Douglas Ave, Suite 250
Dallas, Texas 75225

George S. Keffalos, Jr.
701 Orchard Homes Drive
Farmington, New Mexico 87410

Brian Mc Courtney Lebow
712 Lipscomb
Dallas, Texas 75214

Marshall & Winston
Post Office Box 50880
Midland, Texas 79710

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Post Office Box 60480
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Midland, Texas 79701

Pecos Production Company
401 West Texas Ave., Suite 1003
Midland, Texas 79701

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May 24, 2002
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Pecos Production Company
550 West Texas Ave., Suite 720
Midland, Texas 79701

Dan Peoples
1517 Cottonwood Valley Circle South
Irving, Texas 75038

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c/o Central Resources, Inc.
1775 Sherman St., Suite 2600
Denver, Colorado 80203-4313

Sulphur River Exploration, Inc.
5949 Sherry Lane, Suite 755
Dallas, Texas 75225

Greg Vujovich
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William F. Carr

wcarr@hollandhart.com

November 7, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

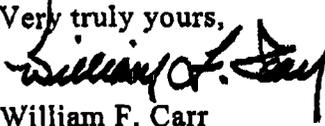
TO ALL AFFECTED INTEREST OWNERS:

Re: Application of Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard spacing unit in the Strawn, Cisco and Wolfcamp formations for its Spring Federal Well No. 4 located 660 feet from the North line and 1980 feet from the East line of Section 5, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard gas spacing and proration unit comprised of the all of partial Section 5, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. This spacing and proration unit will dedicated to the Spring Federal Well No. 4 to be recompleted in the Strawn, Cisco and Wolfcamp formations at a location 660 feet from the North line and 1980 feet from the East line of said Section 5.

As the owner of an interest that will be affected by the proposed non-standard unit, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located and 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the non-standard spacing or proration unit may be approved.

Very truly yours,

William F. Carr
Attorney for Yates Petroleum Corporation.

cc: Ms. Janet Richardson