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October 2, 1997

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

OCT 2 1997

Oil Conservation Division

Re: Objection to Application of Fasken Oil and Ranch, Ltd. for an unorthodox well location and non-standard spacing unit, Eddy County, New Mexico.

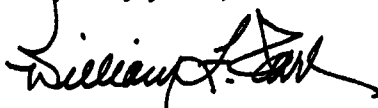
Dear Mr. LeMay:

Yates Petroleum Corporation hereby objects to the application of Fasken Oil and Ranch, Ltd. ("Fasken") for an unorthodox well location for its Indian Hills Unit No. 15 Well which it proposes to drill to the Indian Basin-Morrow Gas Pool at a point 1300 feet from the South line and 330 feet from the West line of Section 17, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico. Fasken proposes to dedicate a non-standard 320-acre proration unit to the well.

Yates Petroleum Corporation is an affected offsetting operator and requests that this application be set for hearing before Division Examiner.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Janet Richardson,
Yates Petroleum Corporation

Tommy E. Taylor
Fasken Oil and Ranch, Ltd.

W. Thomas Kellahin, Esq.