

UMC Petroleum Corporation

April 6, 1995

VIA FACSIMILE TRANSMISSION (505) 827-5766

State of New Mexico
Oil Conservation Commission
Department of Energy and Minerals
2040 South Pacheco
Santa Fe, New Mexico 87501

**RE: APPLICATION OF YATES PETROLEUM CORPORATION
FOR UNORTHODOX OIL WELL LOCATION
EDDY COUNTY, NEW MEXICO
ASPDEN "AOH" FED. COM. #2**

Gentlemen:

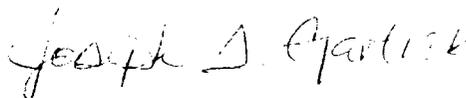
Due to an unforeseen scheduling conflict, I will be unable to attend the rescheduled Hearing on Friday, April 7, 1995, at which time the Oil Conservation Commission of New Mexico will hear Yates Petroleum Corporation's Application for an Unorthodox Oil Well Location for the above referenced well. UMC Petroleum Corporation is Lessee of Record to that certain Federal Oil and Gas Lease identified as NM-0553777 encompassing the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 32, Township 19 South, Range 25 East, Eddy County, New Mexico, a direct south offset to the above referenced Unorthodox Oil Well Location Application. UMC's lease is subject to a proration/spacing unit covering the NW $\frac{1}{4}$ of said Section 32 that is operated by Conoco, Inc. Conoco and UMC recently completed the Joyce Fed. Com No. 1 well at a legal location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 32 and plans are being finalized to drill a second well in this spacing unit.

UMC Petroleum Corporation has discussed the Yates Petroleum Corporation's application in great detail with representatives of Conoco, Inc. and strongly supports Conoco's opposition to said application for the technical and legal merits that have or will be presented by Conoco. As Lessee of Record to the above described Federal Oil and Gas Lease, UMC Petroleum Corporation believes that approving the unorthodox location will violate the correlative rights of UMC and its lessor and that drainage of the reserves under this lease will occur without benefit to our company or our lessor.

UMC Petroleum Corporation respectfully requests that the Oil Conservation Commission deny the application submitted by Yates Petroleum Corporation. Thank you for your consideration.

Respectfully,

UMC PETROLEUM CORPORATION



Joseph F. Gavlick
Regional Landman

JFG/kv