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February 6, 1996

HAND-DELIVERED

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

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Oil Conservation Division

Re: Cases 10793, 10981, 11004, 11421 and 11422:
Applications of Yates Petroleum Corporation concerning infill drilling in the
Pecos Slope-Abo Gas Pool, South Pecos Slope-Abo Gas Pool and the West
Pecos Slope-Abo Gas Pool, Chaves County, New Mexico

Dear Mr. Stogner:

By letter dated January 31, 1996, Tide West Oil Company ("Tide West") and Great Western Drilling Company ("Great Western") provided comments on the above referenced applications of Yates Petroleum Corporation.

As you are aware, these cases came before you for hearing on November 2, 1995 in Roswell, New Mexico. At that hearing, neither Tide West nor Great Western called a witness. Instead of presenting evidence, each sought a 60-day continuance and requested data from Yates so they could determine what position to take in these cases. The continuance was granted and the requested data provided by Yates. When the hearing resumed on January 11, 1996, Tide West and Great Western again failed to present any evidence on any application and requested and afforded an opportunity to present written statements.

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The Tide West and Great Western letters attack Yates' evidence on the geology of the Abo formation in this area, the drainage testimony, the results of this infill program, and Yates' economic, production and reserve data.

Yates Petroleum Corporation objects to the back door approach used by Tide West and Great Western in this matter. The statements in the Tide West and Great Western letters of January 31, 1996 are not only incorrect, they are not supported by the evidence in the record.

The Division errs if it considers the objections raised by Tide West and Great Western in these post-hearing letters. To do so would substantially prejudice Yates, for it will be denied the opportunity to respond -- on the record -- to these allegations. If the Division considers these post-hearing comments, the hearing process will be subverted, and a dangerous precedent will be set. At a minimum, due process requires that applicants and protestants alike be given not only an opportunity to be heard but also an opportunity to respond to the misstatements of an opponent.

Having failed to present evidence at the hearings on these applications, Tide West and Great Western should not be allowed to attack the Yates presentation with an unsworn, after the fact letter. If they won't come to the hearing, take the witness stand, present evidence and submit themselves to cross-examination, they cannot be heard.

The arguments of Tide West Oil Company and Great Western Drilling Company may not be considered in deciding these cases.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Rand Carroll, Esq.