



December 20, 1996

11706

Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Examiner Hearings Docket Secretary

Re: Docket Request
January 23, 1997 Examiner Hearing

Gentlemen:

Yates Energy Corporation seeks an order pooling all mineral interests for those intervals comprising the Quail (Queen) Pool underlying the NE/4NW/4 of Section 18, Township 19 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit. Said unit is dedicated to its Reddy-Gulf State Well No. 2 which will be recompleted in an attempt to return the well to a producing status. Said well is located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 18. Also to be considered will be the costs of recompleting said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Yates Energy Corporation as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 16 miles northeast of Halfway, New Mexico.

Please place this application on the January 23, 1997 Examiner Hearing Docket. Your assistance is appreciated.

Yours very truly,

YATES ENERGY CORPORATION

A handwritten signature in cursive script, appearing to read "Sharon R. Hamilton".

Sharon R. Hamilton
Landman

OPERATE/RGulf2.OCD