LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L.CARROLL JOEL M.CARSON JAMES E HAAS R.TRACY SPROULS, LL.M. (TAX)

OF COUNSEL A. J. LOSEE 311 WEST QUAY AVENUE

P. O. BOX 1720

ARTESIA, NEW MEXICO 88211-1720

PHONE (505) 746-3505 FAX (505) 746-6316 ROSWELL OFFICE 400 N. PENN., SUITE 870 ROSWELL, NM 88201 PHONE (505) 623-5154

PLEASE DIRECT ALL CORRESPONDENCE TO OUR ARTESIA OFFICE

October 13, 2000

OCT 1 6 2000

(all 136)

VIA FAX & MAIL 505-827-8177

Ms. Florence Davidson Oil Conservation Division 2040 S. Pacheco St. Santa Fe, NM 87505

Re: Application of Yates Petroleum Corporation for a Compulsory Pooling

Well Location, Federal IX Com #3, Chaves County, New Mexico

Case No 12507

Dear Ms. Davison:

Please dismiss from the October 19, 2000 hearing the above case, which has been settled among all parties involved. If you have any questions, please feel free to contact our office. Thank you.

Sincerely,

Barbara Lewis

Secretary to Ernest L. Carroll

/bal