



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

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Cabinet Secretary

February 1, 2002

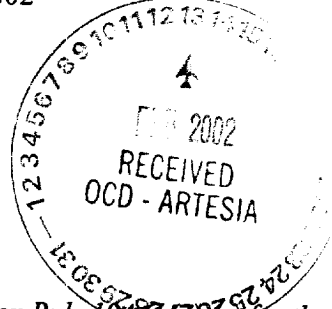
Lori Wrotenbery

Director

Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attention: Clifton R. May



Re: Administrative application for an exception to Division Rule 104SC(2)(a) for the recompletion of the plugged and abandoned Buried Canyon State Well No. 1 (API No. 30-005-60266), to be redesignated the Buried Canyon "AZN" State Well No. 1, located 2093 feet from the South line and 2128 feet from the East line (Unit J) of Section 19, Township 5 South, Range 26 East, NMPM, Chaves County, New Mexico.

Dear Mr. May:

This letter acknowledges: (i) my e-mail message to you on Thursday, January 24, 2002 (see copy attached); and (ii) your administrative application dated December 4, 2001 for an unorthodox deep gas well location for the above described well. The Division received this application on January 22, 2002, and assigned it NMOCD application reference No. *pKRV0-202435463*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order at this time. It appears that your application may be incomplete with respect to notice. It was stated in this application that Yates is the **leaseholder** of state Leases No. VA-2482 and VA-2473. For clarification, does this mean that Yates owns 100% of the working interest in both leases? If not please identify each interest owner in both leases and show their percentage in each lease.

Since the submitted information is insufficient to review, the application was ruled as incomplete on January 24, 2002. Please submit the above stated information by Friday, February 8, 2002.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "mstogner@state.nm.us." Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe