

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



January 24, 1995



**MEMORANDUM**

TO: File--Rose Cannon AOR Com #1 Well

FROM: Rand Carroll *RC*

RE: Recognition of Change of Operator

On January 23, 1995, Yates Petroleum Corporation filed a Form C-104 "Change of Operator" for the above-referenced well. Sanders Oil & Gas, the prior operator, refused to sign the form as provided for on the form. The OCD hereby recognizes Yates as the operator for its purposes for the following reasons:

Yates provided evidence that it has valid lease(s) for the acreage on which the well is located. In the absence of evidence from Sanders that Yates does not have the right to produce the oil and gas from that acreage, Yates should be approved as the new operator. In this case, Sanders has claimed that it, as the former leaseholder and the driller and operator of that well, has an interest in the wellbore and the equipment in the wellbore. That claim may be valid but, absent evidence to the contrary, that does not affect the OCD's recognition of Yates as the operator since only Yates, according to the evidence presented, has the right to produce the oil and gas accessed by that wellbore.

**VILLAGRA BUILDING - 400 Galisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7466

**2040 South Pastoreo**

Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5970

Oil Conservation  
827-7131