STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY March 10, 1993 O. C. D.

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Bridge Oil (USA), Inc. 12404 Park Central Drive, Suite 400 Dallas, TX 75251

Attention: LaRae L. Sanders

RE: Yates Federal Well No. 1, Undesignated King Camp-Devonian oil test; NW/4 NW/4 (Unit D) of Section 27, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico.

Dear Ms. Sanders:

Per your letter dated February 19, 1993, informing us of Bridge's attempt to side-track the subject well and recomplete in the adjacent 40-acre proration unit to the east of the original 40-acre tract.

This matter has been set for hearing on the next available docket scheduled for April 8, 1993. As you are probably aware, General Rule 104.F(1) does not provide an administrative procedure for approving unorthodox oil well location requests for geological purposes.

Please provide adequate notice of hearing to the appropriate parties pursuant to Rule 1207.A(5).

Should you have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner Chief Hearing Officer/Engineer

1-972-788-

MES/amg

cc: Oil Conservation Division - Artesia