



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

S. P. YATES
PRESIDENT
HARVEY E. YATES
VICE PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
HUGH W. PARRY
SEC. - TREAS.

October 13, 1972

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Unorthodox Location, Kincaid BI Com. No. 2
OCC Order No. R-4391 Case No. 4803


Dear Sir:

Herewith is Notice of Intent to Drill, and new location plat on Kincaid BI Com. No. 2, proposed Morrow test. This letter confirms a telephone conversation between our attorney, Mr. A. J. Losee and Mr. George Hatch, Oil Conservation Commission counsel, pertaining to the change of location on our Hornbaker "BA" Com. No. 2 well from 1980 feet from the North line and 660 feet from the East line, Section 25, Township 18 South, Range 25 East to 600 feet from the North line and 620 feet from the East line of Section 25, Township 18 South, Range 25 East, Eddy County.

The reason for the change of location is that we have run into mechanical difficulties while drilling through the Pennsylvanian shales and we are unable to directionally drill into the target area.

Yours very truly,

YATES PETROLEUM CORPORATION


Eddie M. Mahfood
Petroleum Engineer

EMM:jg

Encl.