



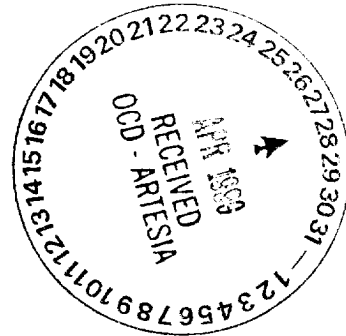
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 26, 1999

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

Attention: Robert Bullock



Re: Application dated April 15, 1999 for the Yates Petroleum Corporation to drill its proposed Concho "ACT" State Com. Well No. 1 at an unorthodox gas well location to test the Undesignated Crow Flats-Morrow Gas Pool 1650' FSL & 660' FEL (H) of Section 8, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

Dear Mr. Bullock:

I am again returning the subject application. Until such time as a written withdrawal of Concho Resources, Inc.'s proposed Chama "8" Federal Com. Well No. 1 (API No. 30-015-30472) to be drilled at a standard gas well location in Unit "B" of Section 8 (see copy of the Division's records attached), is provided your application will not be considered.

Again, thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
William F. Carr, Legal Counsel for Yates Petroleum Corporation – Santa Fe
Kathy Valdes, NMOCD – Santa Fe

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

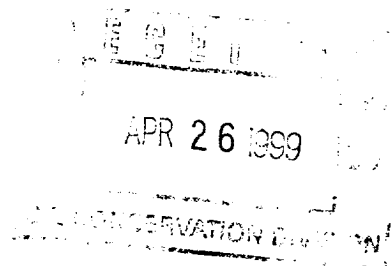


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
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TREASURER

April 21, 1999

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



RE: Application for Unorthodox Well Location
Concho "ACT" State Com #1 Well
Township 17 South, Range 27 East
Section 8: N/2
Eddy County, New Mexico

Dear Mr. Stogner:

We believe this API No. 30-015-30472 has been with drawn by Concho Resources.
Please process Yates' application for an unorthodox gas well location

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)