

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 11, 2003

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

RECEIVED
NOV 14 2003
Oil Conservation Division

Re: Administration Application of Yates Petroleum Corporation
For Approval of an Unorthodox Oil and Gas Well Location
Houston BDH State Com #2
1,550' FNL & 2,500' FWL in N/2 of Sec. 31-T9S-R27E
Chaves County, New Mexico
Submitted by letter dated November 4, 2003

Dear Mr. Stogner:

I enclose for your information, waiver letters from John C. Stanfield, MAGI, Inc., NMR, Inc., Elliot-Hall Company Limited, Elk Oil Company, SLR Oil & Gas Investments, LLC and Genesis Limited Partnership. These affected persons are waiving objection to our proposed unorthodox location in the N/2 of Section 31, Township 9 South, Range 27 East, N.M.P.M., Chaves County, New Mexico. These waivers represent seven of the fourteen affected parties outside the Yates entities. I request that you please include these in your files.

If you have any questions, please give me a call at (505) 748-4349.

Very truly yours

YATES PETROLEUM CORPORATION


Chuck Moran

CEM:tv
Enclosure(s)

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November 4, 2003

CERTIFIED MAIL/RETURN RECEIPT

TO: OWNERS ATTACHED ON EXHIBIT A

Re: Administrative Application of Yates Petroleum Corporation
For Approval of an Unorthodox Oil and Gas Well Location
Houston BDH State Com. #2
1,550' FNL & 2,500' FWI in N/2 of Sec. 31-T9S-R27E
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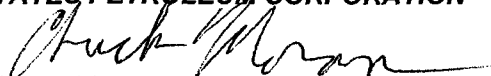
Gentlemen:

I enclose a complete copy of Yates Petroleum Corporation's administrative application for approval of an unorthodox location. We request that you that you sign one copy of this letter waiving objection to this location, and return it to our office. Alternatively, if you object to our application, your objection must be filed in writing within 20-days from the date the New Mexico Oil Conservation Division receives this Application. We have mailed the application to the same date we mailed this notice to you.

If you have questions concerning our proposal, please give me a call.

Very truly yours,

YATES PETROLEUM CORPORATION


Chuck Moran
Landman

Enclosure

I / We waive objection to the unorthodox application of Yates Petroleum Corporation for its Houston BDH State Com. #2 well to be drilled at a location of 1,550' FNL and 2,500' FWL in Section 31-T9S-R27E, Chaves County, New Mexico.

Name: NMR, Inc.
By: James R. Vandeweyer
Its: President

Exhibit "A" Notification Letter

Administrative Application of Yates Petroleum Corporation for Approval of an
Unorthodox Oil and Gas Well Location, Chaves County, New Mexico

NMR, Inc.
P. O. Box 782
Gaylord, MI 49734
#7002 0860 0006 7054 1019

MAGI, Inc.
3300 North A. St., Building 4
Suite 104
Midland, TX 79705
#7002 0860 0006 7054 1590

Elliott-Hall Company Limited
P. O. Box 1231
Ogden, UT 84402
#7002 0860 0006 7054 1002

T. H. McElvain Oil and Gas
Limited Partnership
1050 17th Street, Suite 1800
Denver, CO 80265
#7002 0860 0006 7054 1583

SLR Oil & Gas Investments
P. O. Box 3300
Roswell, NM 88202-3300
#7002 0860 0006 7054 0999

J. M. Raymond, Ltd.
P. O. Box 291445
Kerrville, TX 78029-1445
#7002 0860 0006 7054 1576

Elk Oil Company
P. O. Box 310
Roswell, NM 88202-0310
#7002 0860 0006 7054 0982

John C. Stanfield
2314 Maxwell
Midland, TX 79705
#7002 0860 0006 7054 1569

Elliott Industries Limited
Partnership
P. O. Box 3300
Roswell, NM 88202-3300
#7002 0860 0006 7054 0975

Michael M. Gray
P. O. Box 50391
Midland, TX 79705
#7002 0860 0006 7054 1606

Genesis Limited Partnership
P. O. Box 1363
Mount Pleasant, SC 29465-1363
#7002 0860 0006 7054 0968

J. Roger Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0937

George B. Broome
P. O. Box 2148
Santa Fe, NM 87504-2148
#7002 0860 0006 7054 0951

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Sharbro Oil Limited Partnership
Myco Industries, Inc.
Yates Industries, LLC
105 South Fourth St.
Artesia, NM 88210

Patricia M. Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0944

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Chuck Moran
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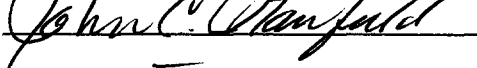
Name: 
By: _____
Its: _____

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#7002 0860 0006 7054 1002

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#7002 0860 0006 7054 0999

Elk Oil Company
P. O. Box 310
Roswell, NM 88202-0310
#7002 0860 0006 7054 0982

Elliott Industries Limited
Partnership
P. O. Box 3300
Roswell, NM 88202-3300
#7002 0860 0006 7054 0975

Genesis Limited Partnership
P. O. Box 1363
Mount Pleasant, SC 29465-1363
#7002 0860 0006 7054 0968

George B. Broome
P. O. Box 2148
Santa Fe, NM 87504-2148
#7002 0860 0006 7054 0951

Patricia M. Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0944

MAGI, Inc.
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Midland, TX 79705
#7002 0860 0006 7054 1590

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Limited Partnership
1050 17th Street, Suite 1800
Denver, CO 80265
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#7002 0860 0006 7054 1576

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Midland, TX 79705
#7002 0860 0006 7054 1569

Michael M. Gray
P. O. Box 50391
Midland, TX 79705
#7002 0860 0006 7054 1606

J. Roger Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0937

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Sharbro Oil Limited Partnership
Myco Industries, Inc.
Yates Industries, LLC
105 South Fourth St.
Artesia, NM 88210

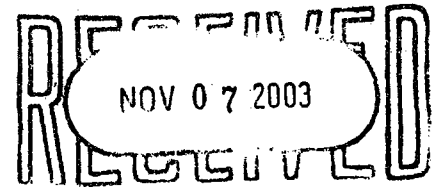
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Very truly yours,

YATES PETROLEUM CORPORATION


Chuck Moran
Landman

Enclosure

I / We waive objection to the unorthodox application of Yates Petroleum Corporation for its Houston BDH State Com. #2 well to be drilled at a location of 1,550' FNL and 2,500' FWL in Section 31-T9S-R27E, Chaves County, New Mexico.

Name: MAG I Inc
By: Paul A. McEachern
Its: Owner

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Unorthodox Oil and Gas Well Location, Chaves County, New Mexico

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Partnership
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Roswell, NM 88202-3300
#7002 0860 0006 7054 0975

Michael M. Gray
P. O. Box 50391
Midland, TX 79705
#7002 0860 0006 7054 1606

Genesis Limited Partnership
P. O. Box 1363
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Yates Industries, LLC
105 South Fourth St.
Artesia, NM 88210

Patricia M. Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0944

NMR, Inc.

P.O. Box 782
Gaylord, MI 49734

Phone: (989) 731-0736
Fax: (989) 731-1442

November 3, 2003

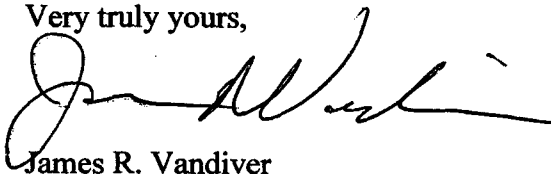
Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Re: Houston BDH State Com. #2
1,550' FNL & 2,500 FWL
N/2 of Sec. 31-T9S-R31E, NMPM
Chaves County, New Mexico

Dear Gentlemen:

NMR, Inc. is a working interest owner in the N/2 of Section 31, Township 9 South, Range 27 East, NMPM. Our ownership is derived from ownership in both State of New Mexico oil and gas leases VA-2026 in the NW/4 of Section 31 and VA-2027 in the NE/4 of Section 31. We waive any objection to the drilling of the Houston BDH State Com. #2 well at an unorthodox location of 1,550' FNL and 2,500' FWL in Section 31, Township 9 South, Range 27 East, NMPM and recommend approval of an unorthodox well location at said location for all formations.

Very truly yours,



James R. Vandiver

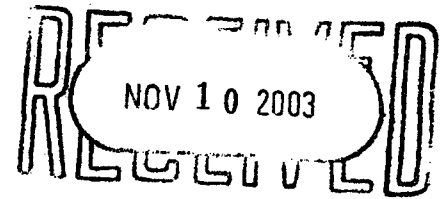
Enclosure

ELLIOTT - HALL COMPANY

EDNA IONE HALL
GEORGE E. HALL
MARY ANN MILLER

2668 GRANT, SUITE 104
P.O. Box 1231
OGDEN, UTAH 84402

OFFICE (801) 399-5871
FACSIMILE (801) 399-5887



November 3, 2003

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Re: Houston BDH State Com. #2
1,550' FNL & 2,500 FWL
N/2 of Sec. 31-T9S-R31E, NMPM
Chaves County, New Mexico

Dear Gentlemen:

Elliott-Hall Company is a working interest owner in the N/2 of Section 31, Township 9 South, Range 27 East, NMPM. Our ownership is derived from ownership in both State of New Mexico oil and gas leases VA-2026 in the NW/4 of Section 31 and VA-2027 in the NE/4 of Section 31. We waive any objection to the drilling of the Houston BDH State Com. #2 well at an unorthodox location of 1,550' FNL and 2,500' FWL in Section 31, Township 9 South, Range 27 East, NMPM and recommend approval of an unorthodox well location at said location for all formations.

Very truly yours,



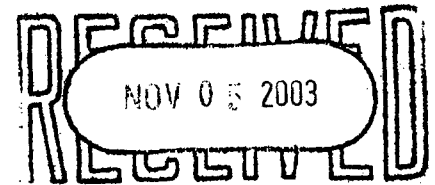
George E. Hall

ELK OIL COMPANY

BOX 310

ROSWELL, NEW MEXICO 88202

15051623-3190
November 4, 2003



JOSEPH J. KELLY
PRESIDENT

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

Attention: Chuck Moran

Re: Houston BDH State Com #2
1550' FNL & 2500' FWL
N2 Section 31-T9S-R31E, NMPM
Chaves County, New Mexico

Gentlemen:

Elk Oil Company is a working interest in the N2 of Section 31, Township 9 South, Range 27 East, NMPM. Our ownership is derived from ownership in both State of New Mexico oil and gas leases VA-2026 in the NW4 of Section 31 and VA-2027 in the NE4 of Section 31.

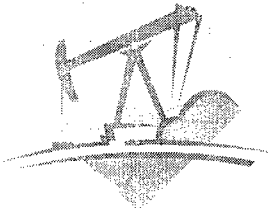
We waive any objection to the drilling of the Houston BDH State Com #2 well at an unorthodox location of 1550' FNL and 2500' FWL in Section 31, Township 9 South, Range 27 East, NMPM and recommend approval of an unorthodox well location at said location for all formations.

Yours very truly,

ELK OIL COMPANY

A handwritten signature in black ink, appearing to be "J. Kelly", written over a horizontal line.

Joseph J. Kelly
President



SLR Oil & Gas Investments, LLC.

801 E. 4th Street # 22-5143
Gillette, WY 82716
(801) 557-1510

November 3, 2003

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

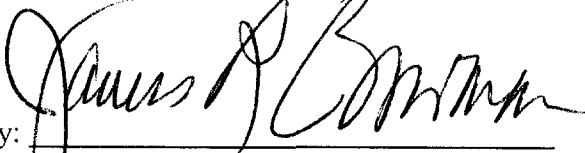
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1,550' FNL & 2,500 FWL
N/2 of Sec. 31-T9S-R31E, NMPM
Chaves County, New Mexico

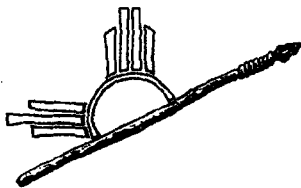
Dear Gentlemen:

SLR Oil & Gas Investments, LLC is a working interest owner in the N/2 of Section 31, Township 9 South, Range 27 East, NMPM. Our ownership is derived from ownership in both State of New Mexico oil and gas leases VA-2026 in the NW/4 of Section 31 and VA-2027 in the NE/4 of Section 31. We waive any objection to the drilling of the Houston BDH State Com. #2 well at an unorthodox location of 1,550' FNL and 2,500' FWL in Section 31, Township 9 South, Range 27 East, NMPM and recommend approval of an unorthodox well location at said location for all formations.

Very truly yours,

SLR Oil & Gas Investments, LLC

By: 
James R. Bowman, Manager

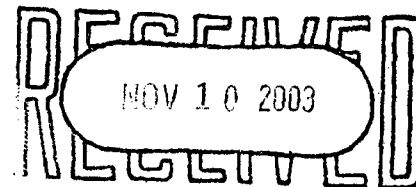


GENESIS LIMITED PARTNERSHIP

PO Box 1363

MT. PLEASANT, SC 29465-1363

TELEPHONE & FAX (843) 884-0011



November 4, 2003

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Re: Houston BDH State Com. #2
1,550' FNL & 2,500 FWL
N/2 of Sec. 31-T9S-R31E, NMPM
Chaves County, New Mexico

Dear Gentlemen:

Genesis Limited Partnership is a working interest owner in the N/2 of Section 31, Township 9 South, Range 27 East, NMPM. Our ownership is derived from ownership in both State of New Mexico oil and gas leases VA-2026 in the NW/4 of Section 31 and VA-2027 in the NE/4 of Section 31. We waive any objection to the drilling of the Houston BDH State Com. #2 well at an unorthodox location of 1,550' FNL and 2,500' FWL in Section 31, Township 9 South, Range 27 East, NMPM and recommend approval of an unorthodox well location at said location for all formations.

Sincerely,

Stephen W. Speer
General Partner
Genesis Limited Partnership

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FRANK W. YATES
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December 5, 2003

DEC 08 2003

OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

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1,550' FNL & 2,500' FWL in N/2 of Sec. 31-T9S-R27E
Chaves County, New Mexico
Submitted by letter dated November 4, 2003

Dear Mr. Stogner:

I enclose additional waivers to the captioned administrative application. The waivers are signed on behalf of T. H. McElvain Oil and Gas Limited Partnership, J & M Raymond, Ltd. and Michael M. Gray. I request that you advise me if there have been any objections to our administrative application so that in the event I need to schedule it for hearing I may do so promptly.

If you have any questions, please give me a call at (505) 748-4349 and happy holidays.

Very truly yours,

YATES PETROLEUM CORPORATION

Chuck Moran
Landman

CEM/tjv
Enclosure(s)

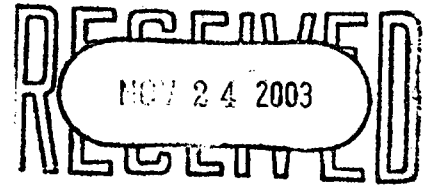
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T.H. McElvain Oil & Gas Limited Partnership
By: McElvain Oil & Gas Properties Inc., General Partner

Name:

By: 

Its: SENIOR VICE PRESIDENT

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105 South Fourth St.
Artesia, NM 88210

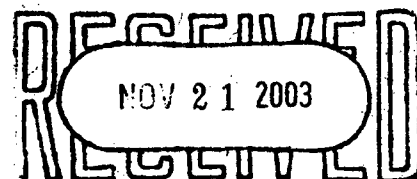
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 4, 2003



CERTIFIED MAIL/RETURN RECEIPT

TO: OWNERS ATTACHED ON EXHIBIT A

Re: Administrative Application of Yates Petroleum Corporation
For Approval of an Unorthodox Oil and Gas Well Location
Houston BDH State Com. #2
1,550' FNL & 2,500' FWI in N/2 of Sec. 31-T9S-R27E
Chaves County, New Mexico

Gentlemen:

I enclose a complete copy of Yates Petroleum Corporation's administrative application for approval of an unorthodox location. We request that you sign one copy of this letter waiving objection to this location, and return it to our office. Alternatively, if you object to our application, your objection must be filed in writing within 20-days from the date the New Mexico Oil Conservation Division receives this Application. We have mailed the application to the same date we mailed this notice to you.

If you have questions concerning our proposal, please give me a call.

Very truly yours,

YATES PETROLEUM CORPORATION


Chuck Moran
Landman

Enclosure

I / We waive objection to the unorthodox application of Yates Petroleum Corporation for its Houston BDH State Com. #2 well to be drilled at a location of 1,550' FNL and 2,500' FWL in Section 31-T9S-R27E, Chaves County, New Mexico.

Name: Michael / M. [Signature]
By: [Signature]
Its: [Signature]

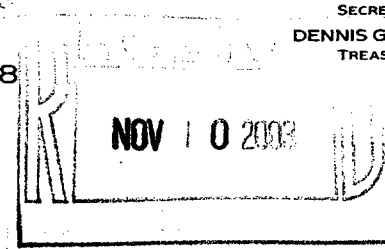
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1912 - 1985
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Name: 

By: _____

Its: _____

J & M RAYMOND, LTD
Raymond & Sons I, LLC, GP
James M Raymond, President

Exhibit "A" Notification Letter
Administrative Application of Yates Petroleum Corporation for Approval of an
Unorthodox Oil and Gas Well Location, Chaves County, New Mexico

NMR, Inc.
P. O. Box 782
Gaylord, MI 49734
#7002 0860 0006 7054 1019

Elliott-Hall Company Limited
P. O. Box 1231
Ogden, UT 84402
#7002 0860 0006 7054 1002

SLR Oil & Gas Investments
P. O. Box 3300
Roswell, NM 88202-3300
#7002 0860 0006 7054 0999

Elk Oil Company
P. O. Box 310
Roswell, NM 88202-0310
#7002 0860 0006 7054 0982

Elliott Industries Limited
Partnership
P. O. Box 3300
Roswell, NM 88202-3300
#7002 0860 0006 7054 0975

Genesis Limited Partnership
P. O. Box 1363
Mount Pleasant, SC 29465-1363
#7002 0860 0006 7054 0968

George B. Broome
P. O. Box 2148
Santa Fe, NM 87504-2148
#7002 0860 0006 7054 0951

Patricia M. Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0944

MAGI, Inc.
3300 North A. St., Building 4
Suite 104
Midland, TX 79705
#7002 0860 0006 7054 1590

T. H. McElvain Oil and Gas
Limited Partnership
1050 17th Street, Suite 1800
Denver, CO 80265
#7002 0860 0006 7054 1583

J. M. Raymond, Ltd.
P. O. Box 291445
Kerrville, TX 78029-1445
#7002 0860 0006 7054 1576

John C. Stanfield
2314 Maxwell
Midland, TX 79705
#7002 0860 0006 7054 1569

Michael M. Gray
P. O. Box 50391
Midland, TX 79705
#7002 0860 0006 7054 1606

J. Roger Friedman
425 Park Avenue
New York, NY 10022
#7002 0860 0006 7054 0937

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Sharbro Oil Limited Partnership
Myco Industries, Inc.
Yates Industries, LLC
105 South Fourth St.
Artesia, NM 88210