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RECEIVED

DEC 15 2003

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

December 12, 2003

Via Fax and U.S. Mail

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

Re: Case No. 13153: Pride Energy Company/Yates Petroleum Corporation

W½ of Section 12, Township 12 South, Range 34 East,
N.M.P.M., Lea County, New Mexico

IMMEDIATE ATTENTION REQUIRED

Dear Mr. Catanach:

Pride Energy Company has informed me that yesterday afternoon Yates Petroleum Corporation had a rathole rig on the site of the State X Well No. 1, which is the subject of the hearing in this case. Such activity can only be preliminary to moving a bigger rig on site.

This activity is contrary to Yates' verbal representation at the hearing on its motion to dismiss, at which time Yates stated that it would conduct no further activity on the well pending a resolution of this case. Moreover, Yates is apparently trying to trump the hearing process, even though its APD was improperly obtained and is invalid.

Again, Pride Energy Company requests that the Division order Yates not to conduct any activity on the site of the State X Well No. 1, and if necessary revoke or suspend its APD pending resolution of this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Pride Energy Company

cc: William F. Carr/Michael H. Feldewert (via fax and U.S. Mail)