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March 31, 1995

Michael E. Stogner, Chief Engineer
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

MAR 31 1995

Oil Conservation Division

Case 11283

Re: Application of Yates Petroleum Corporation for Administrative Approval of
an Unorthodox Well Location for its Catterson "SS" Federal No. 7 Well

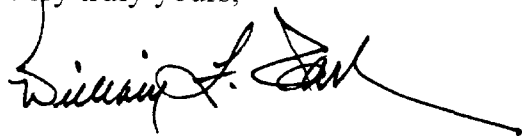
Dear Mr. Stogner:

On March 30, 1995 I was advised that the acreage offsetting the above proposed unorthodox well location is no longer owned by Merit Energy. This interest has recently been conveyed by Merit to Tide West Oil Company. Accordingly, on this date, I have provided Tide West Oil Company by certified mail, return receipt requested a copy of Yates' application for administrative approval of an unorthodox location for the Catterson "SS" Federal No. 7 Well.

Pursuant to our conversation of March 30, 1995, this will require that the twenty (20) day time period within which Tide West may object to this application will commence on March 31, 1995 and that the Division will have to delay action on this matter until the 20 day time period runs from this date.

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh

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March 31, 1995

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Tide West Oil Company
6666 South Sheridan Road, Suite 250
Tulsa, OK 74133-1750

Re: Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Well Location for its Catterson "SS" Federal No. 7 Well, located 2310 feet from the South line and 660 feet from the East line of Section 21, Township 7 South, Range 26 East, N.M.P.M., Chaves County, New Mexico

Gentlemen:

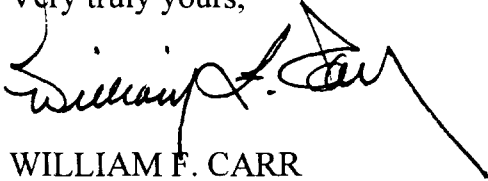
Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking administrative approval of the above-referenced unorthodox well location for its Catterson "SS" Federal No. 7 Well.

Pursuant to the provisions of Division Rule 104(F), the Division Director may approve this application on receipt of waivers from all offset operators or if no objection is received from an offset operator within 20-days after the Division receives this application.

Tide West Oil Company
March 31, 1995
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Accordingly, we request that as an offset operator you waive objection to this proposed unorthodox well location by signing a copy of this letter and returning it to me for filing with the Division.

Very truly yours,



WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh
Enclosure

WAIVER OF OBJECTION:

Company

Representative

Signature

Title

Date