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October 10, 1995

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay, Director

Re: Proposed Rule 104 Changes - Well Spacing

Dear Mr. LeMay:

We are in receipt of your memorandum dated October 6, 1995 enclosing a draft of proposed Rule 104 changes which was the subject of Case 11351, heard by the NMOCC on September 28, 1995. In this memorandum you request that any comments be submitted by November 9, 1995.

We appreciate the opportunity to comment on these rule changes. It is our opinion that the changes proposed are beneficial to the operators drilling wells while easing the administrative burden on the NMOCD. It is further our opinion that these rule changes will help prevent waste without compromising the correlative rights of the offset owners. Therefore we concur with the changes proposed and recommend they be implemented as soon as possible.

Thank you for allowing us the opportunity to comment.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

RGP/mw