

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



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TELEPHONE (505) 748-1471

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JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 10, 1995

TO: Interest Owners in the Pecos Slope-Abo Gas Pool Area

Gentlemen:

Yates Petroleum Corporation hereby notifies you that it has filed an application at the New Mexico Oil Conservation Division seeking the adoption of Special Pool Rules and Regulations for the Pecos Slope-Abo Pool including provisions authorizing the drilling of an optional additional well on each spacing and proration unit, and other provisions necessary to implement infill drilling in this pool. The Pecos Slope-Abo Gas Pool currently comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

This case has been set for hearing before a Division Examiner on November 2, 1995 in the City Council Chambers on the Second Floor of the Roswell City Hall, 425 North Richardson Street, Roswell, New Mexico 88201.

At the November 2, 1995 Examiner Hearing, Yates will also review the geologic and engineering data acquired from its Pilot Infill Drilling Program in the portions of the Pecos Slope-Abo Gas Pool which it has operated pursuant to Division Order Nos. R-9976 and R-9976-A entered in Case Nos. 10793, 10981 and 11004.

You are not required to attend this hearing, but as the owner of an interest which may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record could preclude you from challenging the matter at a later date.

Parties appearing in cases before the Division have been requested to file a Prehearing Statement substantially in the form prescribed by the Oil Conservation Division Memorandum 2-90. Prehearing Statements should be filed by 4:00 p.m. on the Friday before a scheduled hearing.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen
Landman

Norma Jean Daniels
PO Box 45
Fort Sumner, NM 88119

Fred Schrimsher
2513 Gaye Dr.
Roswell, NM 88201

MITCHELL ENERGY CORPORATION
PO Box 4000
The Woodlands, TX 77387-4000

Stuart Montgomery
3407 Story Road
Fort Sumner, NM 88119

Susie M. Southerland
900 South Boardman Apt J-94
Gallup, NM 87301

RIO PETRO, INC.
300 Harbor Bldg
100 Second Ave South
Edmonds, WA 98020

Eona Graham
1200 North Pennsylvania
Roswell, NM 88201

Willene Gill
403 Eads St
Waycross, GA 31501

FRED POOL, INC.
PO Box 1393
Roswell, NM 88202

Rebecca Mechon
C/O F. Thomas Meechan
534 Whiting Woods Rd
Glendale, CA. 91208

Annie M. Corbett
C/O 403 Eads St
Waycross, GA 31501

MEG PETROLEUM CORPORATION
949 Turner
San Angelo, TX 76903-9327

Wilhelmina Zimmerman
Rt 3
Mt Carmel, IL 62863

Earl N. Sweat
8745 Devon Av
Hesperia, CA 92345

JFG ENTERPRISES
PO Box 100
Atresia, NM 88210

Carl Schellinger
PO Box 447
Roswell, NM 88201

Willie Irene Bruce
2067 La Luna Way
Pamona, CA 91767

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PO Box 12705
Dallas, TX 75225

D.R. Britt, Jr.
C/O PO Box 50880
Midland, TX 79710

Molly F. Lemon
616 Dyne Av
Las Cruces, NM 88005

AXEM RESOURCES INC.
1675 Broadway Ste1700
Denver, CO 80202-4617

J.P. White, Jr,
PO Box 874
Roswell, NM 88201

INEXCO OIL COMANY *****
1560 Broadway Ste 1200
Denver, CO 80202

RAULT PETROLEUM
1100 Tulane Ave Ste 1140
New Orleans, LA 70112-1913

Morgan Nelson
RT 2 Box 80
Roswell, NM 88201

HARVARD PETROLEUM CORP.
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Roswell, NM 88201

LOWE PARTNERS
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Houston, TX 77252

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Roswell, NM 88201

STEVENS OIL COMANY
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Roswell, NM 88201

PLAINS RADIO PETROLEUM CO.
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Amarillo, Tx 79105

SPERRY EXPLORATION, INC.
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Santa Fe, NM 87501

MARSH OPERATING COMPANY
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Dallas, TX 75221-460

FISCO, INC.
PO Box 1
Hondo, NM 88336-0001

OXY USA, INC.
PO Box 50250
Midland, TX 79710

MARSHALL AND WINSTON, INC.
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Midland, TX 79710-0880

FIRST CENTURY OIL, INC.
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WESTWAY PETROLEUM
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Dallas, TX 75201-3320

GETTY TRADING AND
TRANSPORTATION
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Denver, CO 80217

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MARATHON OIL COMPANY
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WESTERN RESERVE OIL CO.
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Midland, TX 79702

MOBIL PRODUCING TEXAS AND NM
PO Box 650595
Dallas, TX 75265-0595

MERIT ENERGY COMPANY
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Dallas, TX 75391-1504

DEKALB ENERGY COMPANY
14000 Quail Springs PKY #600
Oklahoma City, OK 73134-2600

BRANEX PESOURCES, INC.
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Roswell, NM 88202-2328

PACE EXPLORATION, INC.
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Artesia, NM 88210

CES OIL OPERATIONS, INC.
C/O Horning Holmburg and Co.
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Roswell, NM 88202-2035

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GREAT WESTERN DRILLING CO.
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Roswell, NM 88202-2203

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PO Drawer 3488
Midland, TX 79702

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Houston TX 77216-0099

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PO Box 700968
San Antonio, TX 78270-0968

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EL RAN, INC.
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ENERGY MINERALS AND NATURAL
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SHENANDOAH OIL, INC.
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Ft. Worth, TX 76701-4617

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Austin, TX 78767

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THE TOLES COMPANY
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Plano, TX 75075

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Dallas, TX 75395-1339

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Johnson Enterprises LTD.
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Roswell, NM 88201

Joan R. Duncan
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Denver, CO 80224

John L. Hinkle
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Roswell, NM 88201

James B. Moss
C/O Moss and Meridith
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Clovis, NM 88101

Santa Fe Mining, Inc.
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Albuquerque, NM 87109

Gessert Properties
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El Paso, TX 79912

Odes de Lester Thompson Trust
C/O James F.Hart Attorney at Law
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Clovis, NM 88101

A.F. Drury
C/O A.E. Beavers
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Roswell, NM 88201

Corine Grace
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H. M. Dow
C/O Ms. Carl J. Rohr
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Ordway Family Trust
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Phoenix, AZ 85044

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Roswell, NM 88201

Daisy Scherzinger
C/O Stephen Frazier
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Edith K. Drury
C/O A.E. Beavers
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Roswell, NM 88201

Dora Lewis McKnight
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Roswell, NM 88201

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C/O J.M. Stewart Lumber Company
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James C. Summersgill
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Roswell, NM 88201

Pete Albarez Est.
C/O Willie Albarez
21 Forest Dr.
Roswell, NM 88201

J. Mark Gresham, CPL
PO Box 27234
Houston, TX 77024

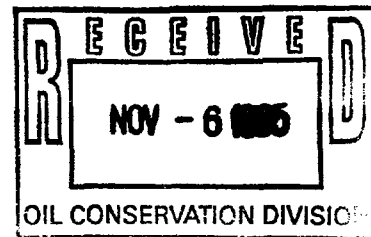
J.C. McGranahan
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Roswell, NM 88201

Lois V. Sanders
C/O Lawrence C. Harris
2603 Sycamore Av
Roswell, NM 88201

Floyd D. Childress II
C/O James W. Childress
2500 Gaye Dr
Roswell, NM 88201

November 2, 1995

Mr. Rand Carroll, Att'y At-Law
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Yates Petroleum Corp.
Application for Spacing Hearing-- 11/2-11/3/95
Roswell. N.M.

Dear Sir,

I appreciate your return call of Nov. 1, 1995 and respectfully request your due consideration to decline the above noted hearing.

I am enclosing a letter from Mr. Stinson Daniels (J. W. Daniels) protesting this procedure.

Also enclosed are the individual letter (copies) as addressed to Mr. Daniels and to Betty J. Moats re the above hearing.

Re the Yates letters signed by Mecca Mauritsen, you will note both letters are similar but not the same.

Our letter describes the area as TWP's 5,6,7,8,9. Daniels letter says TWPS 4,5,6,7,8. Ranges are stated on our letter as 21,22, & 23 East. Ranges on Mr. Daniels letter state 24,25,26, & 27 east. I trust these are duly noted by you.

Furthermore, the totals noted in Yates letter are different. As noted on our letter the proposed area contains approximately 92,480 acres. Mr. Daniels letter noted the area contains approximately 199,000 acres.

The differences I have pointed lead me to believe someone is directly lying for a purpose.

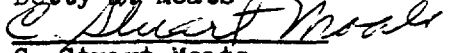
I feel this entire procedure should be permanently TABLED due to misinformation.

We feel there is no need to add additional well allocations in this area due to the amounts of surface damages incurred that are impossible to repair in a reasonable time.

Regarding surface damages, I shall be happy to show current surface conditions from ~~XXXX~~ other wells that have not regained their use as of today.

We hereby advise you that we will not approve of the Yates request and will not accept the approval of same.

Sincerely,


Betty J. Moats

C. Stuart Moats

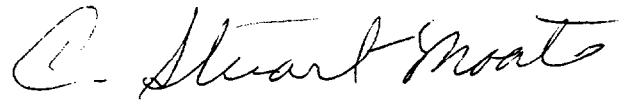
P. O. Box 847
Roswell, N.M. 88202-0847
Moats Livestock and Property LLC

to: Mr. Rand Carroll, Atty-at-Law (Continued)

Please be advised that there are at least 2 other neighbors that have not received notices from Yates Petroleum Inc.

Jerry Don Martin
Charlie Martin.

I am certain there are others which I have not contacted.

A handwritten signature in cursive script, reading "C. Stuart Moats". The signature is written in dark ink and is positioned centrally below the typed text.