



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

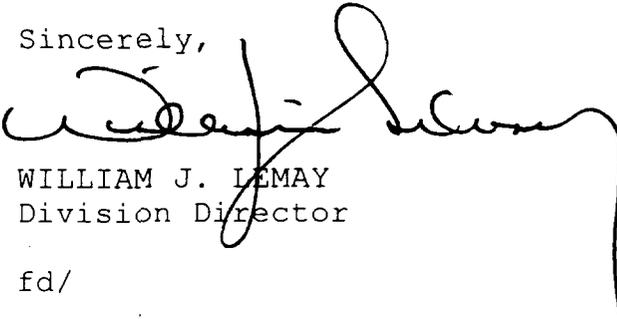
July 15, 1997

Mr. Randy G. Patterson
Land Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Dear Mr. Patterson:

Based upon the reasons stated in your letter of July 7, 1997, and in accordance with the provisions of Division Order No. R-10790, Yates Petroleum Corporation is hereby granted an extension of time until September 1, 1997, in which to begin the well pooled by said order.

Sincerely,



WILLIAM J. LEMAY
Division Director

fd/

cc: ✓ Case No. 11738
OCD - Hobbs

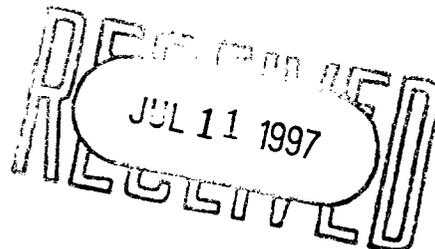
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

July 7, 1997



New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay

Re: Case No. 11738
Order No. R-10790

Dear Mr. LeMay:

By order No. R-10790 entered on April 14, 1997, the Oil Conservation Division (OCD) granted to Yates Petroleum Corporation authority to re-enter the previously plugged and abandoned Shell Oil Company G. L. Lusk Well No. 3, to be redesignated the Shell Lusk "ANB" Well No. 1 located at a surface location 1980 feet from the North and West lines (Unit F), Section 11, Township 16 South, Range 35 East, Lea County, New Mexico and recomplete the well by side tracking from the vertical position and directionally drilling to a proposed bottomhole location 1650 feet from the North line and 1980 feet from the West line of Section 11 at a depth of approximately 12,253 feet.

The order provides that "the operator shall commence re-entry operations and the recompletion of said well on or before the fifteenth day of July, 1997..." Because of the tight rig situation, we have been unable to procure a rig to drill this well. In addition, we are awaiting a driveway permit from the State Highway Department District 2. Due to these delays, we respectfully request that the July 15, 1997 commencement date be extended for a period of 45 days to September 1, 1997 in order to assure that this well can be timely drilled.

Thank you for your consideration of this request. Should you need anything further, please do not hesitate to contact me.

Very truly yours,

YATES PETROLEUM CORPORATION


Randy G. Patterson
Land Manager

RGP/mw