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October 2, 1997

**HAND DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Objection to Application of Fasken Oil and Ranch, Ltd. for an unorthodox well location and non-standard spacing unit, Eddy County, New Mexico.

Dear Mr. LeMay:

Yates Petroleum Corporation hereby objects to the application of Fasken Oil and Ranch, Ltd. ("Fasken") for an unorthodox well location for its Indian Hills Unit No. 15 Well which it proposes to drill to the Indian Basin-Morrow Gas Pool at a point 1300 feet from the South line and 330 feet from the West line of Section 17, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico. Fasken proposes to dedicate a non-standard 320-acre proration unit to the well.

Yates Petroleum Corporation is an affected offsetting operator and requests that this application be set for hearing before Division Examiner.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR  
WFC:mlh

cc: Janet Richardson,  
Yates Petroleum Corporation

Tommy E. Taylor  
Fasken Oil and Ranch, Ltd.

W. Thomas Kellahin, Esq.