

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1904 - 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

November 4, 1998

New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attention: Director Lori Wrotenberry

Re: Application of Marbob Energy Corporation for  
Simultaneous Dedication and Unorthodox Well Location  
Lusk Deep Unit Well No. 14  
1650' FNL, 990' FWL, Sec. 19, T19S-R32E  
Lea County, New Mexico

Dear Director Wrotenberry:

This letter is to advise you that Yates Petroleum Corporation supports the application of Marbob Energy in the above matter before the Oil Conservation Division. Yates Petroleum holds the position that the operator should be allowed discretion with regard to the appropriate field development density by providing for multiple wells within a spacing unit in cases where offsetting correlative rights will not be impaired. Increasing the flexibility of an operator to match the development density to the geology and well performance will increase the recovery efficiency on a per acre basis resulting the total volume of gas and condensate recovered from a given pool.

Yates Petroleum Corporation supports the application of Marbob Energy in this matter and recommends it be granted.

Thank you for your consideration.

Very truly yours,

YATES PETROLEUM CORPORATION

  
David Pearson  
Reservoir Engineer

  
Randy G. Patterson  
Land Manager

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 12076 Exhibit No. 4

Submitted by: Marbob Energy Corporation

Hearing Date: December 3, 1998