

HOLLAND & HART <sup>LLP</sup>  
AND  
CAMPBELL & CARR  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

SUITE 1  
110 NORTH GUADALUPE  
SANTA FE, NEW MEXICO 87501-6525  
MAILING ADDRESS  
P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043  
www.hollandhart.com

March 13, 2001

**HAND DELIVERED**

David R. Catanach, Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87504

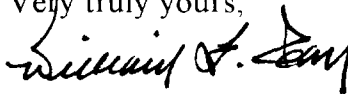
Re: Case No. 12596: Application of Yates Petroleum Corporation for pool contraction, pool creation or, in the alternative, amendment of the Special Pool Rules and Regulations for the Feather-Morrow Pool, Lea County, New Mexico.

Dear Mr. Catanach;

Following the February 22, 2001 Examiner Hearing in the above-referenced case, Yates Petroleum Corporation again reviewed the status of the acreage which would be dedicated to each well located in the Feather-Morrow Pool the spacing is increased from 40-acre to 160-acre spacing units. Based on this review, we can advise that each of the spacing units which would result from an increase to 160-acre spacing would be located on a single lease. Therefore, increasing the spacing units to 160-acres for each of the wells in this pool should not change the ownership of any well or the production from that well. Accordingly, it is Yates understanding that the correlative rights of no interest owner in the pool should be adversely affected by the approval of this application.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr

cc: Randy Patterson  
Yates Petroleum Corporation