

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 15, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Yates Petroleum Corporation
C/o Ernest L. Carroll
Lossee, Carson, Haas and Carroll, PA
P.O.Box 1720
Artesia, NM 88211-1720

Re: Case No.12683; Order No. R-11645 - Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico

Dear Mr. Carroll:

Reference is made to your letter of September 28, 2001 requesting an extension of the time under the captioned order for Yates Petroleum Corporation to propose its proposed Coronet "TI" Well No. 2.

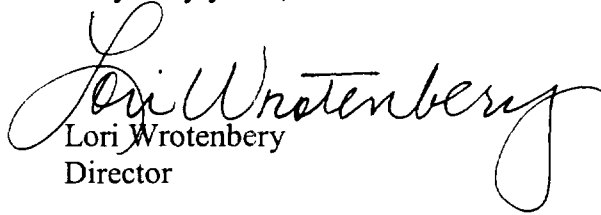
This compulsory pooling order pooled a unit dedicated to existing wells, and accordingly does not contain the usual language providing that if the proposed well is not commenced within a specified time, the pooling order will be of no effect. However, it does, in Ordering Paragraph (4) provide that the operator shall furnish an itemized schedule of estimated well costs to the Division and to each known working interest owner within thirty (30) days after entry of the Order. However, Ordering Paragraph (4) does not contain the usual qualification set forth in connection with the deadline date for commencing a well, to the effect that the Director may extend the deadline for good cause, nor does it state what consequences, if any, follow failure to meet the stated deadline.

Accordingly, the Division has concluded that the appropriate procedure for modification of the time frame stated in Ordering Paragraph (4) of Order No. R-11645 is for Yates to file an application to re-open and again serve notice on the forced pooled interests. Such

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application would be set for hearing with notation that, "in the absence of objection, it would be taken under advisement."

Very truly yours,


Lori Wrotenberg
Director

LW/db