

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



February 7, 1995

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10748
ORDER NO. R-9922-B

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,


Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
James Bruce
Tom Kellahin

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

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MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
NANCY A. RATH

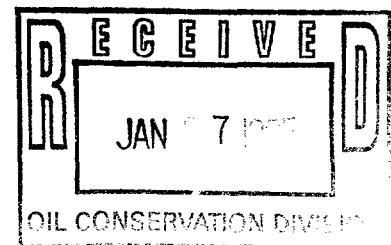
JACK M. CAMPBELL
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January 27, 1995

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



Attn: David Catanach, Hearing Examiner

Re: Case No. 10748:
Application of Yates Energy Corporation for pool creation, classification of
the new pool as an associated pool, and for special pool rules, Eddy County,
New Mexico

Gentlemen:

Oil Conservation Division Order No. R-9922 entered on July 6, 1993 in Case No. 10748 established Temporary Special Pool Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool. Pursuant to this order, this case was to be reopened in January, 1995, to permit operators in the pool to appear and show cause why these Special Pool Rules should not be rescinded.

Most of the eighteen month life of these temporary rules was consumed by an environmental audit. Currently development operations are underway but only limited data is available and should permanent rules be adopted at this time, they may well have to be amended when the results of current development efforts are known. Therefore, a one year extension of these temporary rules is needed.

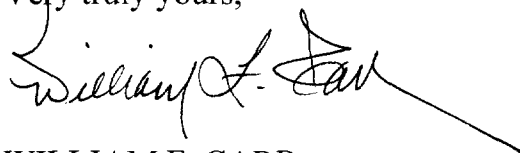
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
January 27, 1995
Page 2

The other operators in the pool are: Nearburg Exploration Company, Santa Fe Energy, and Marathon Oil Company. Each of these operators has been contacted about a one year continuance of the special pool rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool and none of them object to a continuance.

Yates Petroleum Corporation, therefore requests that the Temporary Pool Rules established by Order No. R-9922 be continued in full force and effect until January, 1996 and that Case No. 10748 be reopened at that time to permit operators in this pool to appear and show cause why the temporary rules should not be rescinded.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a long horizontal line extending from the end of the signature.

WILLIAM F. CARR
ATTORNEY FOR YATES ENERGY CORPORATION
WFC:mlh

cc: Nearburg Exploration Company
Attn: Tim McDonald
3300 North "A" Street, Suite 120
Midland, TX 79705

Santa Fe Energy
Attn: Don Rogers
5050 W. Texas, Suite 1330
Midland, TX 79701

Marathon Oil Company
Attn: Rod Stewart
Box 552
Midland, TX 79702

Yates Petroleum Corporation
Attn: David Boneau
105 South Fourth Street
Artesia, NM 88210

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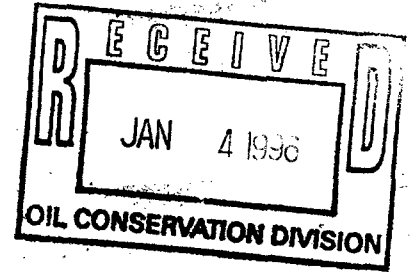
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January 4, 1995

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: Oil Conservation Division Case No. 10748 (Reopened):
In the matter of Case No. 10748 being reopened pursuant to the provisions of
Division Order No. R-9922-B, which order continued Special Rules and
Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool in
Eddy County, New Mexico

Dear Mr. LeMay:

Yates Petroleum Corporation respectfully requests that this matter which is currently set on
the Division docket for the January 11, 1996 hearings be continued to the January 25, 1996
Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

WILLIAM F. CARR
WFC:mlh

cc: Mr. Pinson McWhorter