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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

RECEIVED

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OIL CONSERVATION DIV.

DIST. 2

May 9, 1995

VIA FACSIMILE

(505) 748-9720

Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210
Attn: Tim Gum, Supervisor

Re: REQUEST TO CEASE PRODUCTION

*NMOCD Case 11283: Catterson "SS" Federal Well No. 7
2310 feet FSL and 660 feet FEL Unit I Sec 33, T7S, R26E, NMPM
Application of Yates Petroleum Corporation for an unorthodox
gas well location, Chaves County, New Mexico*

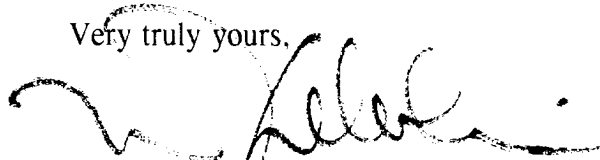
Dear Mr. Gum:

Yates Petroleum Corporation drilled and completed the referenced well at an unorthodox gas well location without first obtaining authority to do so from the New Mexico Oil Conservation Division. This matter is now pending a disputed hearing currently scheduled for May 18, 1995.

My client, Tide West Oil Company, is extremely concerned that Yates Petroleum Corporation will produce the referenced well which we understand was completed on March 3, 1995. On May 2, 1995, I requested that Yates Petroleum Corporation voluntarily shut-in the subject well. My request has been ignored.

Therefore, on behalf of Tide West Oil Company, I hereby request that you require Yates Petroleum Corporation immediate shut-in the subject well and that they keep this well shut-in pending a final order issued by the Division.

Very truly yours,



W. Thomas Kellahin

cc: Michael E. Stogner (OCD-Santa Fe)
cc: William F. Carr, Esq.
Attorney for Yates
cc: Tide West Oil Company
Attn: Kim Goss