

March 4, 1999

**Yates Petroleum Corporation**  
**c/o William F. Carr**  
**Campbell, Carr, Berge & Sheridan, P.A.**  
**P.O. Box 2208**  
**Santa Fe, New Mexico 87504-2208**

**Telefax No. (505) 983-6043**

***Administrative Order NSL-\*\*\*\*\****

Dear Mr. Carr:

Reference is made to the following: (i) your initial application dated January 26, 1999 on behalf of the operator, Yates Petroleum Corporation ("Yates"); (ii) your meeting with Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, with the New Mexico Oil Conservation Division ("Division") in Santa Fe on Monday, February 11, 1999; (iii) your amended application dated February 12, 1999; and (iv) the records of the Division: all concerning Yates' request for a non-standard gas well location in both the Indian Basin-Upper Pennsylvanian Gas Pool and the Morrow formation for their proposed Zingaro "ANG" Federal Well No. 4 (**API No. 30-015-30550**) to be drilled 1500 feet from the North line and 1550 feet from the West line (Unit F) of Section 1, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico.

**The Division Director Finds That:**

(1) Yates is proposing to drill its Zingaro "ANG" Federal Well No. 4 (**API No. 30-015-30550**) at a location that is 1500 feet from the North line and 1550 feet from the West line (Unit F) of Section 1, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico;

(2) The Zingaro "ANG" Federal Well No. 4 is to be drilled to a total depth of 9,900 feet in order to test both the Morrow formation and Upper Pennsylvanian interval;

(3) The Indian Basin-Morrow Gas Pool currently comprises the following described area in Eddy County, New Mexico:

**TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM**

Section 2:	All
Sections 9 and 10:	All
Section 11:	W/2
Section 14:	SW/4
Section 15:	All
Sections 22 through 25:	All
Section 36:	All