



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

September 27, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Clifton R. May

Amended Administrative Order NSL-1011

Dear Mr. May:

Reference is made to your application dated August 14, 1990 for an unorthodox oil well location for your Loving "AIB" State Well No. 1 (formerly known as the Chevron USA, Inc. Eddy "GR" State Well No. 2) located 1550 feet from the North line and 1780 feet from the East line (Unit G) of Section 16, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Said well was originally drilled by Gulf Oil Company in April/May 1979 to a depth of 12,901 feet and was completed in the North Loving Atoka Gas Pool. By Division Administrative Order NSL-1011, dated February 6, 1979, the location was approved as an unorthodox gas well location for gas production from the Wolfcamp formation or deeper. In October 1987, the well was plugged and abandoned by Chevron USA, Inc.

It is our understanding that Yates now intends to re-enter the subject well and clean out to a depth of approximately 6200 feet to test the Undesignated South Loving Delaware Pool whereby the SW/4 NE/4 of said Section 16 will be dedicated forming a standard 40-acre oil spacing and proration unit.

By authority granted me under the provisions of Division General Rule 104.F.I., the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay,
Director

cc: Oil Conservation Division - Artesia
NM State Land Office - Santa Fe



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Said well was originally drilled by Gulf Oil Company in April/May 1979 to a depth of 12,901 feet and was completed in the North Loving Atoka Gas Pool. By Division Administrative Order NSL-1011, dated February 6, 1979, the location was approved as an unorthodox gas well location for gas production from the Wolfcamp formation and deeper.

~~Said well was subsequently plugged and abandoned.~~ *In October 1987 the well was plugged and abandoned by Chevron USA, Inc.*

It is our understanding that Yates now intends to re-enter the subject well and clean out to a depth of approximately 6200 feet to test the Undesignated South Loving Delaware Pool whereby the SW/4 NE/4 of said Section 16 will be dedicated forming a standard 40-acre oil spacing and proration unit.

By authority granted me under the provisions of Division General Rule 104.F.I., the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay,
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