



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

December 7, 2007

**Administrative Order NSL-5722-A**

Yates Petroleum Corporation  
C/o Holland & Hart  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Attention: Ms. Ocean Munds-Dry, Esq.

**Shinnery AZG State Well No. 2Y (API No. 30-025-38573)**

Vertical Well: 1650' FNL, 1630' FWL, Unit F (NON-STANDARD)

Section 9 T10S, R34E, NMPM, Lea County, New Mexico

40 Acre, Unit F of Section 9 Oil Spacing and Proration Unit (First Well)

Wildcat-Wolfcamp Oil Pool (96794)

Undesignated Southeast Lane-Abo (36676)

Reference is made to: Yates Petroleum Corporation's ("Yates") application for a non-standard well location (*administrative application reference No. pKVR0733830950*) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 3, 2007; and the Division's records pertinent to Yates's request.

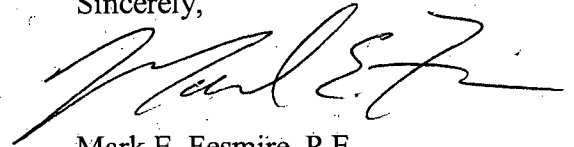
Yates requests authority to drill this oil well to test the Abo and Wolfcamp formations at a non-standard location 310 feet from the western boundary of the proration unit. This well will be dedicated to Unit F of Section 9 and will be the first Wolfcamp or Abo oil well in this unit.

This well location was chosen after the original, standard location was abandoned after a casing collapse. Drilling this well on the same well-pad will prevent environmental damage and prevent waste.

It is our understanding that Yates owns 100% of the working interest in the affected spacing unit to the west and therefore no notice was required.

Pursuant to the authority granted under the provisions of Division Rule 104, the above-described unorthodox location for the Wildcat-Wolfcamp Pool, the Undesignated Southeast Lane-Abo Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.  
Division Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs  
State Land Office – Oil, Gas, and Minerals Division