



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



BRUCE KING
GOVERNOR

October 13, 1993

ANITA LOCKWOOD
CABINET SECRETARY

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: Derrick Stallings, Petroleum Engineer

Corrected Administrative Order NSL-3309

Dear Mr. Stallings:

Reference is made to your application dated August 19, 1993 for a non-standard wildcat Wolfcamp gas well location for your existing Hanlad "AKZ" State Well No. 1 which was drilled in 1982 and completed in the Palma Mesa-Pennsylvanian Pool at a previously approved unorthodox gas well location (Division Order No. R-7065, dated August 24, 1982) 660 feet from the South and West lines (Unit M) of Section 13, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico.

It is my understanding that the Pennsylvanian zone will be properly plugged back and said well will be recompleted to the Wolfcamp formation, which pursuant to Division General Rule 104.B(1), is unorthodox. Further, the S/2 of said Section 13 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

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