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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:



CASE NO. (pending)

APPLICATION OF NEARBURG PRODUCING COMPANY TO RESCIND APPROVAL OF YATES PETROLEUM CORPORATION'S APPLICATION FOR PERMIT TO DRILL ITS TACKITT "AOT" WELL NO. 1, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION STAYING DRILLING OF WELL

BY THE DIVISION:

This matter having come before the Division upon the request of Nearburg Producing Company for a Stay and the Division Director having considered the request and being fully advised in the premises,

NOW, on this 10th day of November, 1994, the Division Director,

FINDS THAT:

- (1) Nearburg Producing Company has complied with the provisions of Division Memorandum 3-85 and has filed its request for a Stay on November 10, 1994.
- (2) That under the circumstances of this case a stay should be entered in order to prevent waste and protect correlative rights.

(3) Division's approval of Yates Petroleum Corporation ("Yates"), permit to drill the Tackitt "AOT" Well No 1, to be located 1650 feet from the South line and 990 feet from the East line of Section 28, T19S, R25E, NMPM, Eddy County, should be stayed until further notice.

IT IS THEREFORE ORDERED THAT:

- (1) Yates Petroleum Corporation ("Yates"), is hereby Stayed from the drilling of the Tackitt "AOT" Well No 1, to be located 1650 feet from the South line and 990 feet from the East line of Section 28, T19S, R25E, NMPM, Eddy County, New Mexico and the Division approval of the Application for Permit to Drill is hereby vacated.
- (2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL