

Division Administrative Order NSL-4177(MC)  
Yates Petroleum Corporation  
December 11, 1998  
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The Division records indicate that Yates commenced drilling this well on July 28, 1998 and on September 16, 1998 total depth of 12,620 feet was reached. In October, 1998 the Atoka was successfully completed as a gas well and production commenced on October 12, 1998.

This application has been duly filed under the provisions of Division Rules 104.F and 112-A.C and D. Review of this application indicates that its approval is in the best interest of conservation and will not cause waste nor impair correlative rights.

By the authority granted me under the provisions of RULE 5 of the "Special Rules and Regulations for the North Shoe Bar-Strawn Pool," as promulgated by Division Order No. R-4658, as amended, and Division Rule 104.F(2), the unorthodox location of Yates' Runnels "ASP" Well No. 2, as described above, in both the Undesignated North Shoe Bar-Strawn Pool and the Undesignated North Shoe Bar-Atoka Gas Pool, is hereby approved.

Furthermore, Yates is authorized to dually complete this well in the manner described above, provided however that: (i) the well is produced and operated in accordance with the provisions of Division Rule 112-A; and, (ii) a packer leakage test be performed upon completion and annually thereafter.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
Mr. Robert Bullock, Yates Petroleum Corporation - Artesia  
Mr. William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe