



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

April 29, 2003

**Yates Petroleum Corporation**  
105 South Fourth Street  
Artesia, New Mexico 88210-2118  
Attention: **Robert Bullock**

*Administrative Order NSL-4870*

Dear Mr. Bullock:

Reference is made to the following: (i) your application dated April 23, 2003 (*administrative application reference No. pKRV0-311557251*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard Canyon gas well location for its existing Button Up "AYD" State Com. Well No. 1 (API No. 30-025-32625), formerly the Button Up Unit Well No. 2, located 600 feet from the North line and 2305 feet from the West line (Unit C) of Section 10, Township 9 South, Range 32 East, NMPM, Lea County, New Mexico.

It is the Division's understanding that this well was initially drilled in 1994 by MW Petroleum Corporation to a total depth of 10,936 feet and completed as an oil well within the Bar U-Devonian Pool (96192) at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 of Section 10. This well produced approximately 199,210 barrels of oil from December, 1994 to April, 2001. Also, in April, 2001 Yates became the operator of this well.

It is further understood that Yates now intends to recomplete this well up-hole into the Canyon formation to test for gas within a standard 320-acre lay-down gas spacing unit comprising the N/2 of section 10, and, pursuant to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999, this location is considered to be unorthodox.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

By the authority granted me under the provisions Division Rule 104.F (2), the above-described unorthodox gas well location for Yates's Button Up "AYD" State Com. Well No. 1 within the N/2 of Section 10, applicable only to Canyon gas production that is governed under Division Rule 104.C (2), is hereby approved.

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Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, sweeping flourish that extends across the page.

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe