

2-10-00

Paul Owen sent this
application of on 2-10-00

We discussed the problem
of re-entering @ and NSL
in a P/A well and if
the work could not be
accomplished then a
standard loc. would be
required.

copy of draft order
submitted by
Paul Owen on
3 1/2" Dickitt
2-10-00.
M. S.

(Date)

Yates Petroleum Corporation
c/o Campbell, Carr, Berge & Sheridan, P.A.
110 North Guadalupe
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Re: Application of Yates Petroleum for Administrative Approval of an Unorthodox Well Location for its Wings "AUT" State #1 Well, 560 feet from the South line and 660 feet from the West line of Section 17, Township 15 South, Range 32 East, Lea County, New Mexico

Dear Mr. Owen:

Reference is made to your application dated February 7, 2000 to drill Yates' proposed Wings "AUT" State #1 Well at a non-standard location 560 feet from the South line and 660 feet from the West line of Section 17, Township 15 South, Range 32 East, Lea Eddy County, New Mexico, to test the Morrow formation, _____ Morrow Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

The information submitted with this application indicates that the non-standard location is necessary so that Yates may drill the proposed well as a re-entry of the Union State #17 Well, which well was originally drilled as a dry hole to 10,100 feet, and was plugged and abandoned on December 31, 1970. The information submitted with this application indicates that the additional costs associated with drilling a well at a non-standard location will render the well non-economic, resulting in the waste of the hydrocarbons underlying the subject spacing unit.

The S/2 of said Section 17 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for the subject pool.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director