



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 17, 1993

Yates Drilling Company
c/o Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attention: William F. Carr

Administrative Order NSL-3240

Dear Mr. Carr:

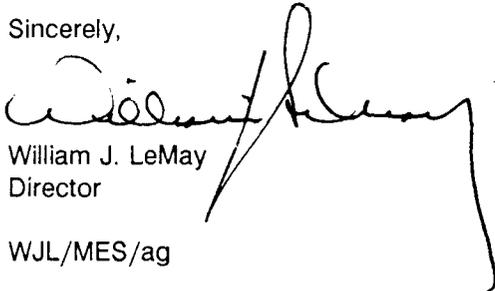
Reference is made to your application dated April 30, 1993 for a non-standard oil well location to permit the completion of an efficient production/injection pattern within the Cactus Queen Unit Waterflood Project Area, established by Division Order No. R-9075-B as amended by Order No. R-9075-B-1.

It is our understanding that the proposed Cactus Queen Unit Well No. 15 is to be drilled 1330 feet from the North line and 2200 feet from the West line (Unit F) of Section 34, Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen Gas Area Associated Pool, Cactus Queen (Voluntary) Unit Area, Chaves County, New Mexico.

Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 of said Section 34 which is currently dedicated to the Cactus Queen Unit Well No. 8, located at a standard oil well location 2310 feet from the North line and 1980 feet from the West line of said Section 34.

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

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Roswell