

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 8, 1994

Yates Energy Corporation
P.O. Box 2323
Roswell, NM 88202

Attention: Kirk Ross

Administrative Order NSL-3407

Dear Mr. Ross:

Reference is made to your application letters dated April 18 and June 20, 1994 for a non-standard gas well location for McGruder Hill "12" Federal Com Well No. 1 to be drilled 1680 feet from the South line and 330 feet from the West line (Unit L) of Section 12, Township 22 South, Range 25 East, NMPM, to test the entire Pennsylvanian Group, Eddy County, New Mexico. The S/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad