State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



May 15, 1995

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attention: Robert Bullock

Administrative Order NSL-3532

Dear Mr. Bullock:

Reference is made to your application dated May 4, 1995 for a non-standard oil well location in the Atoka-Glorieta-Yeso Pool on an existing standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, which currently has dedicated thereon the Allie Lee "ABH" Well No. 1 (API No. 30-015-25127) located at a standard oil well location 330 feet from the North line and 2310 feet from the West line of said Section 2.

By authority granted me under the provisions of Division General Rule 104.F.(1), the following described well to be drilled at the following unorthodox oil well location is hereby approved:

Allie Lee "ABH" Well No. 2 (API No. 30-015-28426) 1090'FNL - 1717'FWL of said Section 34

Also, you are hereby authorized to simultaneously dedicate Atoka-Glorieta-Yeso oil production from the Allie Lee "ABH" Well No. 1 with the proposed Allie Lee "ABH" Well No. 2. Furthermore, you are hereby permitted to produce the allowable assigned the subject 40-acre unit from both wells in any proportion.

Sincerely,

William J. LeMa

Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830

> Park and Recreation Division P.O. Box 1147 87504-1147 827-7465

2040 South Pacheco

Office of the Secretary 827-5950 Administrative Services

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Energy Conservation & Management 827-5900

Mining and Minerals 827-5970

Oil Conservation 827-7131