



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 10, 1998

Yates Petroleum Corporation
c/o Campbell, Carr, Berge & Sherdan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL-3997

Dear Mr. Carr:

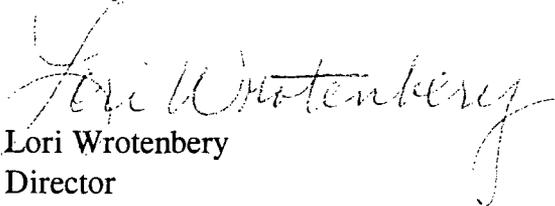
Reference is made to the following: (i) your application to the Division dated March 27, 1998; (ii) your meeting in Santa Fe with Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") on Thursday, April 9, 1998; and, (iii) the records of the Division in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for an unorthodox Morrow gas well location for its proposed Parish "IV" Com. Well No. 6 to be drilled 1880 feet from the North line and 800 feet from the East line (Unit H) of Section 26, Township 19 South, Range 24 East, NMPM, Undesignated Hoag Tank-Morrow Gas Pool, Eddy County, New Mexico.

The N/2 of said Section 26, being a standard 320-acre gas spacing and proration unit for said pool, is to be dedicated to said well.

The application has been duly filed under the provisions of Division General Rule 104.F.

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

Sincerely,



Lori Wrottenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad