



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

December 6, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Harvey E. Yates Company
C/o Michael H. Feldewert Attorney at Law
110 North Guadalupe, Suite No. 1
P. O. Box 2208
Santa Fe, New Mexico 87501-6525

Fax No. (505) 983-6043

Administrative Order NSL-4820

Dear Mr. Feldewert:

The New Mexico Oil Conservation Division (Division) received your application on November 12, 2002, (*application reference No. pKRV0231829064*) on behalf of Harvey E. Yates Company ("Heyco") requesting a non-standard gas well location by re-completing to the Wildcat-Atoka Gas, its Loco Hills Welch Well No. 4 API 30-015-30960. This well is at a location 1980 feet from the South line and 2310 feet from the East line (Unit J) of Section 4, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

This Wildcat re-completion is to be the first Atoka well dedicated to this standard 320-acre spacing and proration unit comprising the S/2 of Section 4, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

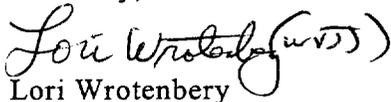
This well is located 330 feet from the western boundary of the quarter section the well is located on. As such its location is non-standard by being closer than 660 feet – violation of Division rule 104.C.2.a. This is an internal non-standard location and there are no affected working or royalty interest owners.

It is our understanding that Heyco is seeking re-completion of this well bore in this non-standard location to prevent waste and save in drilling an unnecessary well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No.R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described non-standard Atoka gas well location within this 320-acre spacing unit comprising the S/2 of Section 4 is hereby **approved**.

Sincerely,


Lori Wrotenbery
Director

LW/wvjj

cc: New Mexico Oil Conservation Division – Artesia