



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

June 23, 2005

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

**Yates Petroleum Corporation**  
105 South Forth Street  
Artesia, New Mexico 88210-2118

Attention: **Cy Cowan, Regulatory Agent**  
*cyc@ypcnm.com*

RECEIVED

JUL 01 2005

OCU-ARTESIA

*Administrative Order NSP-1891 (L)*

Dear Mr. Cowan:

30-015-34167

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division's ("Division") in Santa Fe, New Mexico on June 3, 2005 (*administrative application reference No. pMES0-516037437*); (ii) the Division's initial response from Mr. Michael E. Stogner, Engineer with the Division in Santa Fe, both by e-mail and postage on Thursday morning, June 9, 2005; (iii) your reply dated June 15, 2005 with the necessary information to complete your application; and (iv) the Division's records, including the record in Case No. 13018 (Arley Federal Exploratory Unit Agreement Order No. R-11927, dated March 25, 2003): all concerning Yates Petroleum Corporation's ("Yates") request for the formation of the following described non-standard 367.46-acre deep gas spacing unit to be applicable to any and all formations and/or pools from the top of the Wolfcamp formation to the base of the Chester formation that are:

- (1) developed on 320-acre spacing; and
- (2) governed under the provisions of Division Rule 104.C (2), which presently includes but is not necessarily limited to the Undesignated Bunting Ranch-Atoka Gas Pool (73095) and Undesignated Bunting Ranch-Morrow Gas Pool (73100):

## **EDDY COUNTY, NEW MEXICO**

### **TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM**

**Irregular Section 1: Lots 1, 2, 7, 8, 9, 10, and 11, SW/4 NE/4, and W/2 SE/4.**

This unit is to be dedicated to Yates' proposed Arley Federal Unit Well No. 4 to be drilled at an unorthodox deep gas well location, pursuant to Division Rules 104.C (2) (a), 2153 feet from the South line and 926 feet from the East line (Lot 10/ Unit I) of Irregular Section 1.

Your application has been duly filed under the provisions of Division Rules 104.D (2) and 104.F.

**Yates Petroleum Corporation**  
**June 23, 2005**  
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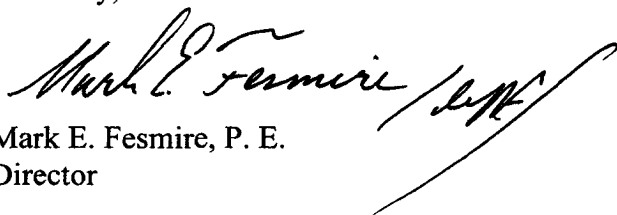
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**Division Administrative Order NSP-1891 (L)**

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2) (b), the above-described unorthodox deep gas well location and 367.46-acre non-standard gas spacing unit are hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", followed by a large, stylized flourish or "X" mark.

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: Case No. 13018