

- (5) The applicant presented evidence that demonstrates:
 - (a) the Jasper "ARJ" Federal Well No. 2 was originally permitted by the Division as an Ordovician test. Yates received approval to drill the Jasper "ARJ" Federal Well No. 2 at an unorthodox gas well location for the Ordovician horizon, Undesignated Foor Ranch-Pre Permian Gas Pool, by Division Order No. NSL-4596 dated July 3, 2001;
 - (b) the well was drilled to the Ordovician formation and tested non-productive in this horizon; and
 - (c) the well has been recompleted to the Pecos Slope-Abo Gas Pool and is currently capable of commercial gas production.
- (6) The Jasper "ARJ" Federal Well No. 2 is currently shut-in.
- (7) There are no additional wells producing from the Pecos Slope-Abo Gas Pool within the NE/4 of Section 25.
- (8) Yates has obtained waivers of objection to the proposed unorthodox gas well location from all affected offset operators.
- (9) Approval of the subject application will afford Yates the opportunity to produce the hydrocarbons in the Pecos Slope-Abo Gas Pool underlying the NE/4 of Section 25, and will not violate correlative rights.
- (10) The application should be approved.

IT IS THEREFORE ORDERED THAT:

- (1) The application of Yates Petroleum Corporation for an unorthodox gas well location in the Pecos Slope-Abo Gas Pool for its existing Jasper "ARJ" Federal Well No. 2 (API No. 30-005-63143) located 760 feet from the North line and 2240 feet from the East line (Unit B) of Section 25, Township 8 South, Range 26 East, NMPM, Chaves County, New Mexico, is hereby approved.
- (2) The NE/4 of Section 25 shall be dedicated to the well forming a standard 160-acre spacing and proration unit within the Pecos Slope-Abo Gas Pool.