

promulgated by Division Order No. R-111-P. The proposed well, its Jacque "AJQ" State Well No. 4, is to be located at a standard oil well location 990 feet from the North line and 330 feet from the West line (Unit D) of Section 34, Township 21 South, Range 31 East, NMPM, to test the Delaware formation at an approximate depth of 8,150 feet, Eddy County, New Mexico. The NW/4 NW/4 of said Section 34 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for the Undesignated West Lost Tank-Delaware Pool.

(7) All four of the subject Delaware oil well locations are subject to Division General Rule 104.C(1)(a), which requires 40-acre oil spacing and proration units with wells to be located no closer than 330 feet from the outer boundary of a spacing unit. Further all of said Section 34 is within the "Designated Potash Area," as defined by Division Order No. R-111-P, and is therefore subject to all of the applicable rules and procedures governing said area.

(8) In October 1997, Yates filed with the Artesia District Office of the New Mexico Oil Conservation Division Forms C-101, "Applications for Permit to Drill" ("APD") on each of the four above-described wells. In compliance with said Order No. R-111-P, Yates also notified each potash operator holding potash leases within one mile of the proposed wells. By letters dated October 10, 1997, Mississippi Potash, Inc. objected to the drilling of the four subject wells.

(9) On December 18, 1997 Yates filed with the Division's Santa Fe Office its requests to bring this matter to a Division Hearing Examiner.

(10) At the time of the hearing, Mississippi Potash, Inc. withdrew its objection to the drilling of the four Yates wells.

(11) There no longer being an objection to the four proposed wells, the APD's filed by Yates with the Artesia District Office of the Division should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The four applications by Yates Petroleum Corporation in Case Nos. 11913, 11914, 11915, and 11916 to drill its Jacque "AJQ" State Well Nos. 1, 2, 3, and 4 at standard oil well locations in Units "M", "L", "N", and "D", respectively, of Section 34, Township 21 South, Range 31 East, NMPM, Undesignated West Lost Tank-Delaware Pool, Eddy County, New Mexico, are hereby dismissed.

(2) The corresponding "Applications for Permit to Drill" ("APD") filed by Yates with the Division's District Office in Artesia in October, 1997 for these four wells shall be