

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 14, 1989

Yates Energy Corporation
P.O. Box 2323
Roswell, NM 88202

Attention: Fred G. Yates

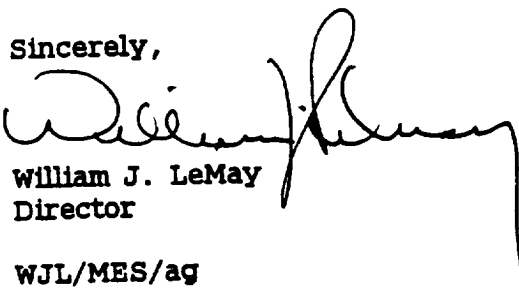
Administrative Order NSL-2684

Dear Mr. Yates:

Reference is made to your application of August 3, 1989 for a non-standard gas well location for your **Desert Rose Federal Well No. 1** to be located 1740 feet from the South line and 660 feet from the East line (Unit I) of Section 27, Township 23 South, Range 23 East, NMPM, **Undesignated East Hess-Morrow Gas Pool**, Eddy County, New Mexico. The E/2 of said Section 27 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
NM Oil and Gas Engineering Committee - Hobbs
US Bureau of Land Management - Roswell