



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 25, 1999

**Yates Petroleum Corporation**  
105 South Fourth Street  
Artesia, New Mexico 88210

**Attention: Robert Bullock**

CW  
Make this  
application is OK.  
per process  
Chris 3/10/99

*Re: Application dated February 25, 1999 for the Yates Petroleum Corporation to re-enter and recomplete the TXO Production Corporation Cambridge "ASC" Well No. 1 (API No. 30-025-29032) by kicking-off and directionally drilling to the Strawn, Atoka, and Morrow intervals within Section 12, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.*

Dear Mr. Bullock:

The subject filing was received in this office on February 25, 1999. My review of this application indicates that it can be administered at the District level since it involves a well that is being directionally drilled and, as long as the directionally drilled wellbore stays within the set back requirements from the outer boundary of the applicable spacing and proration units of the proposed intervals to be completed [see Division Rules 111.A(6) and (7) and 111.C(1) and (2), which rules streamlined the directional drilling procedures]. Your application for directional drilling will be forwarded to the Hobbs District office of the Division for processing.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs

