



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

July 7, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: **Robert Bullock**

Administrative Order NSL-4909

Dear Mr. Bullock:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on June 12, 2003 (*administrative application reference No. pKRV0-316350096*); (ii) your voice mail message for Mr. Michael E. Stogner, Engineer with the Division on Tuesday, July 1, 2003; (iii) Ms. Katherine E. Hawkins's (Legal Assistant with Holland & Hart, LLP in Santa Fe) e-mail to the Division on July 7, 2003; and (iv) the Division's records in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for an exception to the well location requirements (**Rule 4**) provided within the "Special Rules and Regulations for the South Big Dog-Strawn Pool," as promulgated by Division Order No. R-9722-C, as amended, for Yates's proposed Global "BBG" Well No. 2 to be drilled 1675 feet from the South line and 1430 feet from the West line (Unit K) of Section 12, Township 16 South, Range 35 East, NMPM, Undesignated South Bog Dog-Strawn Pool (96690), Lea County, New Mexico.

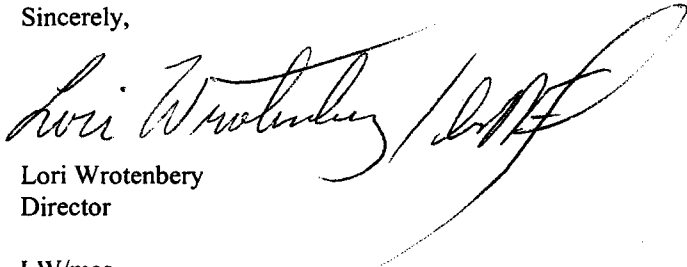
The E/2 SW/4 of Section 12 is to be dedicated to this well in order to form a standard 80-acre stand-up oil spacing and proration unit for this pool (as provided for by **Rule 2** of the special pool rules).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provision of the applicable rules governing the South Big Dog-Strawn Pool and Division Rule 104.F (2), the above-described unorthodox Strawn oil well location is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to this pool.

Sincerely,



Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe