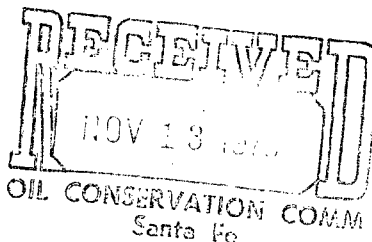




YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



S. P. YATES
PRESIDENT
HARVEY E. YATES
VICE PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
HUGH W. PARRY
SEC. - TREAS.

November 12, 1973

NSL-630

104 F

Name Name 3

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Unorthodox Gas Well Location - Yates Petroleum Corporation
Nickson "BM" No. 2
Penasco Draw (S.A. Yeso)
Eddy County, New Mexico

Dear Mr. Porter:

Under the provisions of OCC Order No. 4-4365, Case No. 4745.
Administrative Approval of a non-standard gas well spacing is asked
for our Nickson "BM" No. 2 located 330 feet from the North and East
lines of Section 30-18S-26E, Eddy County.

This well was being drilled for an oil completion in the Penasco Draw
San Andres formation in December, 1972 when it blew out. The well
was recently deepened to 1600', cased and perforated. We are now
completing the well as a gas well with 320 acres dedicated as provided
for in Order No. 4365, with a potential of 298 MCFPD and a GOR of
62,500/1.

Thank you!

Yours truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood
Eddie M. Mahfood
Engineer

EMM:ct

November 12, 1973

*Free Land
San Andres*