



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 28, 1996

Yates Petroleum Corporation
c/o Campbell, Carr, Berge & Sheridan, P. A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attn: William F. Carr

Administrative Order SD-96-11

Dear Mr. Carr:

Reference is made to your application dated August 21, 1996 on behalf of the operator Yates Petroleum Corporation ("Yates"). Subsequent to our review of this application and pursuant to the "*Special Rules and Regulations For The Pecos Slope-Abo Gas Pool*", as promulgated by Division Order No. R-9976-C, dated March 19, 1996, Yates is hereby authorized to simultaneously dedicate Pecos Slope-Abo Gas Pool production to the existing 173.08-acre non-standard gas spacing and proration unit (approved by Division Administrative Order NSP-1253, dated June 10, 1981) comprising all of Irregular Section 2, Township 6 South, Range 25 East, NMPM, Chaves County, New Mexico, from the existing Skinny "QO" State Well No. 1 (**API No. 30-005-60969**), located at a standard Abo gas well location 660 feet from the South line and 1980 feet from the East line (Lot 1/Unit P) of said Section 2 and to Yates' proposed Skinny "QO" State Well No. 7 (**API No. 30-005-63092**) to be drilled at a location that is considered to be a standard Abo gas well location pursuant to **Rule 4** of said special pool rules 660 feet from the South line and 990 feet from the West line (Lot 4/Unit M) of said Section 2.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
File: NSP-1253