



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

September 30, 2002

Lori Wrotenbery

Director

Oil Conservation Division

Harvey E. Yates Company

c/o Holland & Hart, L.L.P.

P. O. Box 2208

Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewart

mfeldewart@hollandhart.com

Telefax No. (505) 983-6043

Administrative Order NSL-4786

Dear Mr. Feldewart:

Reference is made to the following: (i) your application (*application reference No. pKRV0-226935787*) on behalf of the operator, Harvey E. Yates Company ("HEYCO") that was submitted to the New Mexico Oil Conservation Division ("Division") on September 25, 2002; and (ii) the Division's records in Santa Fe: all concerning HEYCO's request for an unorthodox Bone Spring oil well location for its proposed Pearsall "6" Federal Well No. 6 to be drilled 1600 feet from the South line and 2250 feet from the East line (Unit J) of Section 6, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. The NW/4 SE/4 of Section 6 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the North Young-Bone Spring Pool (65350).

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 provisions of Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad