



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

May 14, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Robert Bullock

Telefax No. (505) 748-4572

Administrative Order NSL-4731

Dear Mr. Bullock:

Reference is made to the following: (i) your application dated March 15, 2002 (*application reference No. pMES0-213453836*); (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order DD-179 (H), dated July 3, 1997; and (iii) Mr. William F. Carr's telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division on Tuesday, March 19, 2002: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to the Undesignated Diablo-Wolfcamp Gas Pool (76053) for the existing Pathfinder "AFT" State Well No. 9 (API No. 30-005-62795) located 660 feet from the South line and 2200 feet from the West line (Unit N) of Section 21, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

The S/2 of Section 21, being a standard 320-acre lay-down gas spacing and proration unit for this horizon to be dedicated to this well.

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 Wolfcamp gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe
File: DD-179 (H)