

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

November 20, 1980

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210

Attention: Mr. Albert R. Stall

Administrative Order NSP-1225

Gentlemen:

Reference is made to your application for a 327.20-acre non-standard proration unit consisting of the following acreage in the Morrow formation:

> EDDY COUNTY, NEW MEXICO TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 31: W/2

It is my understanding that this unit is to be dedicated to your Penasco "IW" State Com Well No. 7 located 1980 feet from the South line and 660 feet from the West line of said Section 31.

By authority granted me under the provisions of Rule 104 D II, the above non-standard proration unit is hereby approved.

Sincerely,

JOE D. RAMEY, Director

JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Division - State Land Office - Santa Fe