



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 10, 1988

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Rusty Jernigan

Administrative Order NSP-1524(L)

Dear Ms. Jernigan:

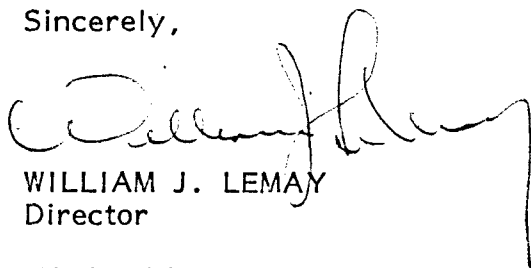
Reference is made to your application dated January 19, 1988 for a non-standard gas well location in the proposed 274.78-acre, more or less, non-standard gas spacing and proration unit consisting of the following acreage for any and all formations and/or pools developed on 320-acre spacing.

EDDY COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Irregular Section 3: Lots 1 through 8

It is my understanding that this unit is to be dedicated to your Springs AEU Federal Com Well No. 1 to be drilled at a non-standard gas well location, due to topographical reasons and to satisfy U.S. Bureau of Reclamation requirements, 1960 feet from the North line and 1550 feet from the East line (Unit G) of said Section 3; hereby approved under the provisions of Division General Rule 104.F.

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

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Roswell
New Mexico Oil and Gas Engineering Committee - Hobbs