

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 29, 2008

FEB 04 2008
OCD-ARTESIA

Yates Petroleum Corporation
Attn: Mr. W. "Lucky" Briggs
105 South Fourth St
Artesia, NM 88210-2118

Administrative Order NSL-5774

Re: Roomba BKM Well No. 1
Unit P, Section 17-10S-26E
Chaves County

Dear Mr. Briggs:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-00456141**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 4, 2007, and

(b) the Division's records pertinent to this request.

Yates Petroleum Corporation (Yates) has requested to drill the above-referenced well at an unorthodox gas well location, 500 feet from the South line and 430 feet from the East line (Unit P) of Section 17, Township 10 South, Range 26 East, N.M.P.M., in Chaves County, New Mexico.

The S/2 of Section 17 will be dedicated to this well in order to form standard 320-acre gas spacing units in the undesignated Foor Ranch-Prepermian Gas Pool (76730) and the undesignated Foor Ranch-Wolfcamp Gas Pool (76750). These pools are governed by statewide Rule 104.B(2), which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 330 feet from the southern and eastern unit boundaries.

The SE/4 of Section 17 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Pecos Slope-Abo Gas Pool (82730).

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for geologic reasons, because your geologic interpretation indicates that the proposed location is the place where an economic well can most likely be drilled.

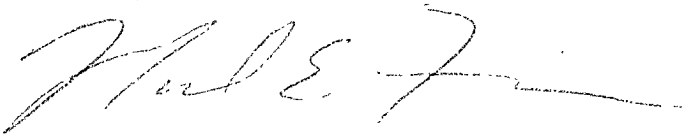
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
United States Bureau of Land Management - Roswell