

April 27, 1990

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Ken Beardemphl

*Administrative Order NSL-2773-A(SD)*

Dear Mr. Beardemphl:

Reference is made to your application dated April 12, 1990 for an unorthodox oil well location for the Undesignated South Dagger-Draw Upper Pennsylvanian Associated Pool in the S/2 of Section 11, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

By Division Administrative Order NSL-2773, dated March 23, 1990, the applicant's Saguaro "AGS" Federal Com Well No. 1 was approved as an unorthodox oil well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 11, for the Undesignated Dagger-Draw Upper Pennsylvanian Associated Pool, whereby the S/2 of said Section 11 was dedicated to said well forming a standard 320-acre gas or oil spacing and proration unit for said pool.

It is our understanding at this time that Yates is seeking to re-enter the Conoco, Inc. Debbie Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 11 and recomplete in the South Dagger-Draw Upper Pennsylvanian Gas Pool, whereby the production from said pool in the S/2 of said Section 11 will be simultaneously dedicated to both aforementioned wells.

At this time, the applicant has made a proper filing pursuant to the General Rule and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/South Dagger Draw-Upper Pennsylvanian Associated Gas Pool Rules as promulgated by Division Order No. R-5353, as amended, therefore the above-described unorthodox location and simultaneous dedication request is hereby approved.

3-5-90

Long Space Sonic

1286.0 - 9457.0

Dual Lat

1196.0 - 9470.0

Comp Neutron

00 - 9439.0

NSL-2773-A(sp)

4-27-90

C7A-383

12-21-92

NSL-R-9015

10-12-89

NSL-2773