



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

RECEIVED

AUG 20 1990

C. D.  
C. D.

GARREY CARRUTHERS  
GOVERNOR

August 17, 1990

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

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Ken Beardemphl, Landman

RE: *Nopel AFP Federal Com Well No. 1, 660' FSL - 1980' FWL, (Unit N) Section 35, Township 19 South, Range 24 East, NMPM, Hoag Tank Morrow Gas Pool, Eddy County, New Mexico.*

Dear Mr. Beardemphl:

Reference is made to your application dated June 19, 1990 for an unorthodox location on the subject well. Administrative approval cannot be granted in this matter per General Rule 104 F.I. which states in part:

"The Division Director shall have authority to grant an exception to the well location requirements of Section B and C above without notice and hearing when the necessity for such unorthodox location is based upon topographical conditions, the recompletion of a well previously drilled to a deeper horizon, provided said well was drilled at an orthodox or approved unorthodox location for such original horizon."

Since the subject well was deepened from the North Dagger Draw Upper Pennsylvanian Pool (in which the location is standard) to the Morrow formation, this provision does not apply and therefore requires a hearing before an Examiner for processing.

Please advise me as to Yates Petroleum's intent in this matter and should you have any questions, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: ~~Oil Conservation Division - Artesia~~  
US Bureau of Land Management - Carlsbad