



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

January 11, 2000

**Yates Petroleum Corporation  
c/o Cambell, Carr, Berge & Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208  
Attention: William F. Carr**

**Telefax No. (505) 983-6043**

***Administrative Order NSL-4387(SD)***

Dear Mr. Carr:

Reference is made to the following: (i) your application dated January 3, 2000 on behalf of the operator Yates Petroleum Corporation ("Yates"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates' request for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*", as promulgated by New Mexico Oil Conservation Division ("Division") Order Nos. R-9922, R-9922-A, R-9922-B, R-9922-C, and R-9922-D and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*", as promulgated by Division Order No. R-5353, as amended, for an infill well to be drilled at an unorthodox location within an existing 320-acre lay-down spacing and proration unit comprising the S/2 of Section 3, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico.

This unit is currently dedicated to Yates' Walt Canyon "AMA" Federal Well No. 1 (API No. 30-015-10305), located at a standard location 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 3.

The subject application has been duly filed under the provisions of Division Rule 104.F and Rule 2(c) of the Division's associated pool rules.

By the authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special rules governing the Indian Basin-Upper Pennsylvanian Associated Pool the following described well to be drilled at an unorthodox infill location within this 320-acre unit is hereby approved:

**Walt Canyon "AMA" Federal Well No. 2  
1450' FSL & 790' FWL (Unit L) of Section 3  
(API No. 30-015-28129).**

