

**FINDS THAT:**

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing Case Nos. 11913, 11914, 11915, and 11916 were consolidated for presentation purposes.

(3) In Case No. 11913, Yates Petroleum Corporation ("Yates") seeks approval to drill within the "Designated Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well, its Jacque "AJQ" State Well No. 1, is to be located at a standard oil well location 330 feet from the South and West lines (Unit M) of Section 34, Township 21 South, Range 31 East, NMPM, to test the Delaware formation at an approximate depth of 8,150 feet, Eddy County, New Mexico. The SW/4 SW/4 of said Section 34 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for the Undesignated West Lost Tank-Delaware Pool.

(4) In Case No. 11914, Yates seeks approval to drill within the "Designated Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well, its Jacque "AJQ" State Well No. 2, is to be located at a standard oil well location 1650 feet from the South line and 330 feet from the West line (Unit L) of Section 34, Township 21 South, Range 31 East, NMPM, to test the Delaware formation at an approximate depth of 8,150 feet, Eddy County, New Mexico. The NW/4 SW/4 of said Section 34 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for the Undesignated West Lost Tank-Delaware Pool.

(5) In Case No. 11915, Yates seeks approval to drill within the "Designated Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well, its Jacque "AJQ" State Well No. 3, is to be located at a standard oil well location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 34, Township 21 South, Range 31 East, NMPM, to test the Delaware formation at an approximate depth of 8,150 feet, Eddy County, New Mexico. The SE/4 SW/4 of said Section 34 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for the Undesignated West Lost Tank-Delaware Pool.

(6) In Case No. 11916, Yates seeks approval to drill within the "Designated Potash Area" pursuant to all applicable rules and procedures governing said area, as