

NEW ... EXICO ENERGY, M. ERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

July 26, 2001

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Attn: Cy Cowan

RE: Shut In Order for Yates Petroleum Corporations' Mule Deer 'ATU' Federal Com. Well #1, located in Unit I, 2310' FSL & 660' FEL of Section 11, Township 21 South, Range 21 East, Eddy County, New Mexico, NMPM

Dear Mr. Cowan,

In regards to the above captioned well, Yates Petroleum Corporation is ordered to shut in said well due to non-compliance to the Oil Conservation Division's rules and regulations, specifically Rule 104.C.(2),(a). According to this rule, this well lies in an unorthodox location.

Please refer to the enclosed rule regarding this matter.

Transporters are to comply with this shut-in order until further notice.

Respectfully yours, um Arren

Bryan Arrant PES NMOCD-District II

- E-Mail Lori Wrotenbery, Division Director, Santa Fe Steven Ross, Legal Council, Santa Fe Richard Ezeanyim, Chief Hearing Examiner Tim Gum, District Supervisor, Artesia
- cc: Amoco P/L Int. Trucking El Paso Natural Gas Company

Encls.