

May 25, 2002

**Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210**

Telefax No. (505) 748-4572

Attention: Robert Bullock

Administrative Order NSL-4721

Dear Mr. Bullock:

Reference is made to the following: (i) your application dated March 27, 2002 (*application reference No. pKRV0-209239559*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to the Cisco and Atoka formations for its existing Tyler "AVC" State Well No. 1 (**API No. 30-015-10413**) located 1700 feet from the South line and 2230 feet from the East line (Unit J) of Section 30, Township 23 South, Range 25 East, NMMPM, Eddy County, New Mexico.

Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 30, being a standard 320.23-acre lay-down gas spacing and proration unit for both formations is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe