



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

October 15, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Yates Petroleum Corporation
105 South Forth Street
Artesia, New Mexico 88210-2118

Attention: **Robert Bullock**

Administrative Order NSL-4950

Dear Mr. Bullock:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 3, 2003 (*administrative application reference No. pLR0-328048175*); and (ii) the Division's records in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location for its existing Big Hat State Unit Well No. 3 (API No. 30-025-36223), located at an unorthodox deep gas well location 795 feet from the North line and 2281 feet from the East line (Unit B) of Section 3, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico, to be applicable to any and all formations and/or pools from the surface to the top of the Devonian formation that are:

- (1) developed on 320-acre spacing; and
- (2) governed under the provisions of either Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Lots 1 through 8 of Irregular Section 3, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico is to be dedicated to this well in order to form a 352.16-acre lay-down deep gas spacing unit.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox deep gas well location within this 352.16-acre unit is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe