STATE OF NEW MEXICO.



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

January 6, 1988

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Yates Petroleum Corporation 207 South Fourth Street Artesia, NM 88210

Attention: Rusty Jernigan

Administrative Order NSL-2454

Gentlemen:

Reference is made to your application for a non-standard location for your Hoover ADR State Well No. 5 to be located 1500 feet from the South line and 990 feet from the West line of Section 1, Township 17 South, Range 33 East, NMPM, Sanmal Queen Pool, Lea County, New Mexico. The NW/4 SW/4 of said Section 1 shall be dedicated to the well.

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

Sincerely, WILLIAM J. LEMAY. Director

WJL/DRC/ag

cc: Oil Conservation Division - Hobbs