



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 16, 1997

Yates Petroleum Corporation
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL-3790

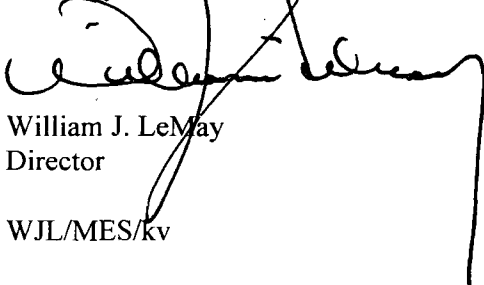
Dear Mr. Carr:

Reference is made to your application dated March 27, 1997 on behalf of the operator, Yates Petroleum Corporation, for approval to drill the Quest "AQS" Com Well No. 1 (API No. 30-025-33742) at an unorthodox gas well location to test both the Undesignated West Double "X"-Wolfcamp Gas Pool and the Undesignated South Bell Lake-Morrow Gas Pool 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 3, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of said Section 3 to be dedicated to said well to form a standard 320.13-acre gas spacing and proration unit for both intervals.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,



William J. LeMay
Director

WJL/MES/kv

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