



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 7, 1998

Yates Petroleum Corporation
c/o William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Administrative Order NSL-3991

Dear Mr. Carr:

Reference is made to your application dated April 2, 1998 on behalf of the operator Yates Petroleum Corporation for an unorthodox Morrow gas well location for its proposed Loco "ASI" Federal Com Well No. 1 to be drilled 1650 feet from the South line and 1200 feet from the West line (Unit L) of Section 10, Township 18 South, Range 29 East, NMPM, Undesignated South Empire-Morrow Gas Pool, Eddy County, New Mexico.

The W/2 of said Section 10, being a standard 320-acre gas spacing and proration unit for said pool, is to be dedicated to said well.

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").

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,

A handwritten signature in cursive script that reads "Lori Wrotenberg".
Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad