

1650 feet from the South line and
1980 feet from the East line (Unit J);

- b) Pathfinder "AFT" State Well No. 3
(API No. 30-005-62636), located
1650 feet from the South line and
2310 feet from the West line (Unit
K);
- c) Pathfinder "AFT" State Well No. 9
(API No. 30-005-62795), located 660
feet from the South line and 2200
feet from the West line (Unit N);
and,
- d) Pathfinder "AFT" State Well No. 10
(API No. 30-005-62801), located 660
feet from the South line and 2310
feet from the East line (Unit O);

- (7) Initially, it is Yates' intent to utilize the existing wellbore of its above-described Pathfinder "AFT" State Well No. 9 to drill a medium radius horizontal drainhole a lateral distance of approximately to 1,000 feet within the upper portion of the Fusselman formation;
- (8) It appears the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation ("Yates") for high angle/horizontal directional drilling within a "project area", in the Diablo-Fusselman Associated Pool within a portion of its Pathfinder "AFT" State lease comprising 320 acres underlying the following described acreage in Chaves County, New Mexico:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 21: S/2.

(2) Yates is further authorized to proceed with their initial plans to recomplete the existing Pathfinder "AFT" State Well No. 9 (API No. 30-005-62795), located 660 feet from the South line and 2200 feet from the West line (Unit N) of said Section 21 by plugging-back, milling a window in the existing production casing, kick-off from the vertical in a north-