

May 20, 2002

**Yates Petroleum Corporation**  
**105 South Fourth Street**  
**Artesia, New Mexico 88210**

**Telefax No. (505) 748-4572**

**Attention: Robert Bullock**

***Administrative Order NSL-4731***

Dear Mr. Bullock:

Reference is made to the following: (i) your application dated March 15, 2002 (*application reference No. pMES0-213453836*); (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order DD-179 (H), dated July 3, 1997; and (iii) Mr. William F. Carr's telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division on Tuesday, March 19, 2002: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to the Undesignated Diablo-Wolfcamp Gas Pool (**76053**) for 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 Section 21, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

The S/2 of Section 21, being a standard 320-acre lay-down gas spacing and proration unit for this horizon to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe  
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe  
File: DD-179 (H)