



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 16, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
Attention: Chuck Morgan



Administrative Order NSL-4611

Dear Mr. Morgan:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on June 20, 2001 (*NMOCD Reference No. pKRV0117154990*); and (ii) the Division's records in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to any and all formations and/or pools from the top of the Wolfcamp to the base of the Ordovician series that are:

- (1) developed on 320-acre spacing; and
- (2) governed under the provisions of either Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, which presently includes but is not necessarily limited to the North Foor Ranch-Wolfcamp Gas Pool and Undesignated Foor Ranch-PrePermian Gas Pool.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

The N/2 of Section 29, Township 9 South, Range 26 East, NMPM, Chaves County, New Mexico is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit. This unit is to be dedicated to Yates's existing Rolla "TC" Well No. 2 (**API No. 30-005-62822**), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 29.

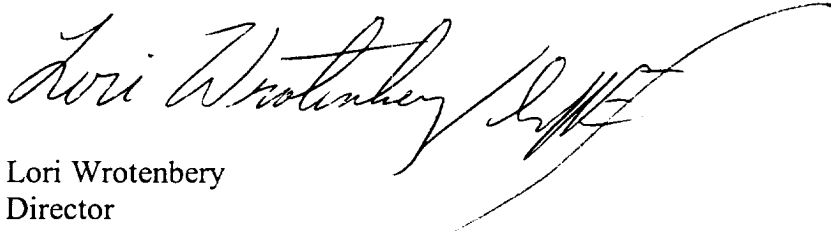
The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within this 320-acre unit comprising the N/2 of Section 29

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is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or initial.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /

REMARKS: At the time this well was drilled to and completed in the North Foor Ranch-Wolfcamp Gas Pool (1991) its location was considered to be "standard" and because it has been producing from this interval since, this completion was "grandfathered" in as approved at the time the rules currently governing deep gas wells in southeast New Mexico were adopted. However, for clarification and administrative purposes only this zone was included within the provisions of this order.