



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

June 3, 2002



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

Re: *Administrative application submitted on May 22, 2002 (application reference No. pKRV0-214257515) for an unorthodox Pecos Slope-Abo gas well location for Yates petroleum Corporation's existing Jasper "ARJ" Federal Well No. 2 (API No. 30-005-63143) located 760' FNL & 2240' FEL (Unit B) of Section 25, Township 8 South, Range 26 East, NMPM, Chaves County, New Mexico.*

Dear Ms. Perez:

The well in which the subject application was filed is located within the Pecos Slope-Abo Gas Pool and is therefore subject to the "Special Rules and Regulations for the Pecos Slope-Abo Gas Pool," promulgated by Division Order No. R-9976-C, dated March 19, 1996 (see copy attached). These rules do not include an administrative procedure for authorizing unorthodox gas well locations (see Rule 5). This application will therefore be set for hearing and will be placed on the next available docket scheduled for June 27, 2002.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Roswell
Kathy Valdes, NMOCD - Santa Fe
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe