

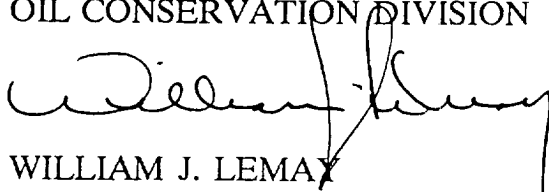
CASE NO. 9998  
Order No. R-9093-B  
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IT IS THEREFORE ORDERED THAT:

- (1) The application of Yates Energy Corporation to amend Division Order No. R-9093, as amended, is hereby temporarily denied.
- (2) The applicant shall conduct good faith negotiations with Chevron in order to determine a fair and equitable method whereby Chevron's interest as to the San Andres formation may be consolidated.
- (3) The applicant shall notify the Division in the event of a subsequent voluntary agreement with Chevron.
- (4) Should the parties fail to reach a voluntary agreement, this matter shall be reopened on the Examiner Docket for October 31, 1990, at which time the Division shall consider additional evidence regarding conductance of negotiations, the proportionate share of well costs which are allocated to the San Andres completion, and the assignment of a risk penalty which is fair to both parties.
- (5) The subject well shall remain shut-in until such time as all the interests in the subject proration unit have been consolidated.
- (6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

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