



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

June 18, 1997

**Yates Petroleum Corporation**  
**105 South Forth Street**  
**Artesia, New Mexico 88210**  
**Attention: Robert Bullock**

***Administrative Order NSL-3806***

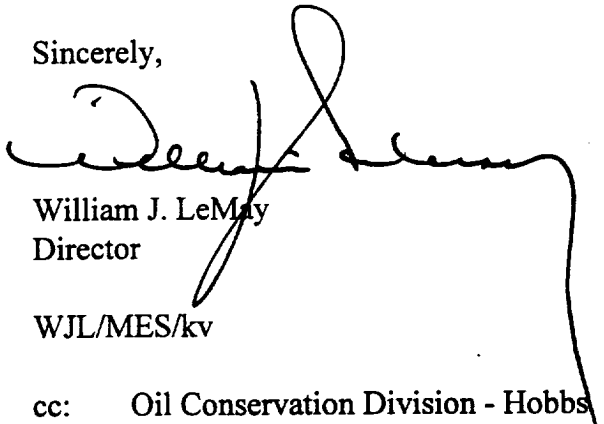
Dear Mr. Bullock:

Reference is made to your application dated May 21, 1997 for approval of an unorthodox gas well location in the Undesignated Kemnitz-Morrow Gas Pool for the existing Cities Service "AQP" State Well No. 1 (API No. 30-025-01910), located 660 feet from the North and West lines (Unit D) of Section 13, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico. The W/2 of said Section 13 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,



William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe