



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 30, 1998

*CW
Opina is this
an unorthodox
location.*

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attention: Morris Keith

Re: *Application of Yates Petroleum Corporation for administrative approval to dually complete its Runnels "ASP" Well No. 2 (API No. 30-025-34443), located 1650 feet from the South line and 2270 feet from the East line (Unit J) of Section 11, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, in both the Strawn (Oil) formation and the Atoka (Gas) formation.*

Dear Mr. Keith:

Reference is made to the subject application dated November 24, 1998. Since the reported liquid production for the Atoka interval is in excess of one barrel per day, please submit the required technical information pursuant to Division Rule 112-A.C(2) [see copy attached].

Furthermore, in my review of this application I found no reference to any previous approval of an unorthodox location for this well. Please submit a copy of any such Division order along with the required technical data.

Thank you for your cooperation in this matter, and should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Chris Williams, N.M.O.C.D. - Hobbs
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe