

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

RECEIVED

JUN 17 2005
OIL CONSERVATION
DIVISION

June 15, 2005



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
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TREASURER

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: No. pMESO-516037437
Arley Federal Unit #4
2153' FSL and R26' FEL
Section 1, T20S-R21E
Eddy County, New Mexico

Dear Mr. Stogner:

While collecting the information you requested in your email I realized that I did not point out that Section 1 of T20S-R26E is a long section to the north and south. I put my scale to a topographical map supplied to me by my surveyor and realized the east side section line is approximately 6000 feet in length. The exact length can be determined by a General Land Office map which I do not have handy but it can be obtained. I understand your concern of our violation of Division Rule 104.C (2) (a) should Section 1 be a normal sized one mile square section. However, based on my new findings I hope you will concur that the captioned location is indeed orthodox. I have enclosed two plats as examples for your review.


I have also enclosed a statement from my surveyor and a topographical map showing how the well was eventually staked the location at the 2153' FSL and 926' FEL

I apologize for any inconvenience this may have caused you. Should you need anything further please advise.

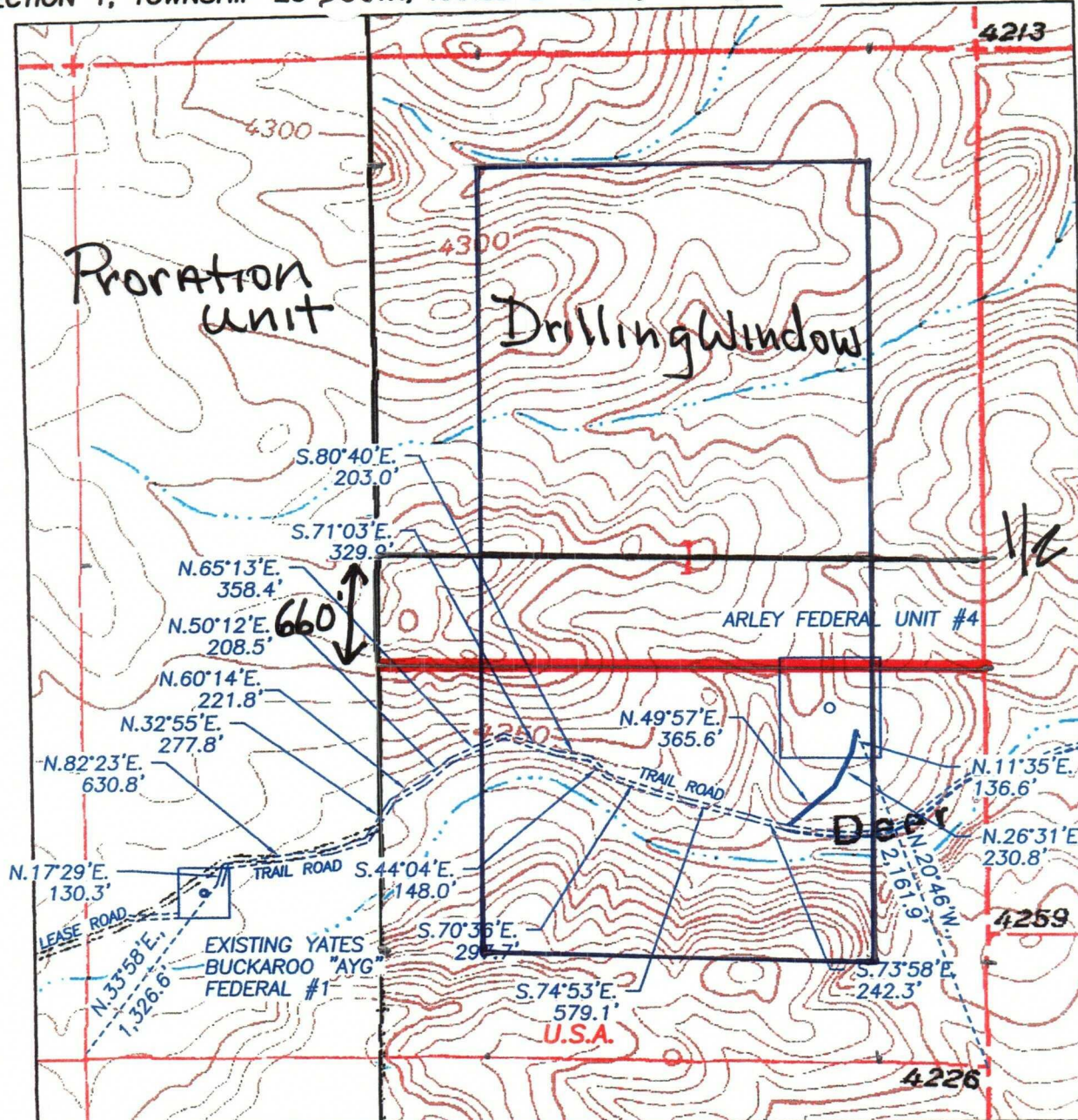
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION.


Cy Cowan
Regulatory Agent
/cyc
Enclosures

SECTION 1, TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



DESCRIPTION:

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE AND 4,360.6 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE EXISTING TRAIL ROAD AS SHOWN ON THIS PLAT.

TRAIL ROAD TO BE IMPROVED:

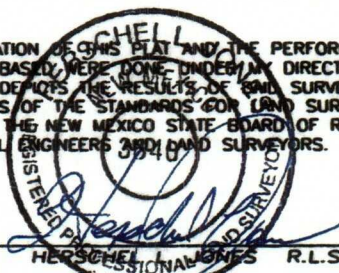
3,627.6 FEET = 219.8545 RODS, 0.6870 MILES OR 2.4983 ACRES, MORE OR LESS.

NEW LEASE ROAD:

733.0 FEET = 44.4242 RODS, 0.1388 MILES OR 0.5048 ACRES, MORE OR LESS.

Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.



YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES ARLEY FEDERAL UNIT #4 WELL, LOCATED IN SECTION 1, TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 4/16/2004	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/17/04	Scale 1" = 1000' ARLEY 4

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

DISTRICT I
1000 N. French Dr., El Paso, NM 88940

DISTRICT II
511 South First, Arizona, NM 88210

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name			Well Number
OGRD No.		Operator Name			Elevation

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p>ONE SQUARE Mile</p> <p>660' ↑</p> <p>660'</p> <p>926'</p> <p>2253'</p> <p>2560'</p> <p>2153'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed _____</p> <p>Signature of Professional Surveyor _____</p>	
	<p>HEIDI S. JONES NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 3640</p>	
	<p>Certificates No. 1000000 L. Jones RLS 3640 GENERAL SURVEYING COMPANY</p>	

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DATE: 6/15/2005

2500'S/660'E

TO: CY COWAN

2253'S/926'E

FROM: ED

2153'S/926'E

REMARKS: THE ARLEY FEDERAL UNIT #4 WELL WAS STAKED AT 2500/S & 660/E ORIGINALLY BUT THIS LOCATION FELL IN A STEEP DRAW THAT WOULD BE IMPOSSIBLE FOR US TO BUILD A PAD MUCH LESS GET ACCESS TO IT. WE MOVED THE LOCATION UP ONTO A SADDLE WHERE WE COULD AT LEAST BUILD A LOCATION (2253/S & 926/E) AND GET GOOD ACCESS. BARRY HUNT MOVED THEN MOVED THIS LOCATION 100 FEET TO SOUTH (2153/S & 926/E).

Arley Fed Unit #4

Canyon

Deer

T. 19 S.

T. 20 S.

Arley Fed Unit #4

4250

4300

4200

4213