PHONE (505) 623 660

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PETROLEUM PRODUCERS

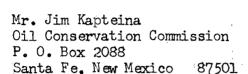


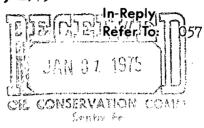
HARVEY E. YATES COMPANY, INC.

SUITE 1000 SECURITY NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO - 88201

January 30, 1975





Re: Letter of January 24 requesting administrative approval of an unorthodox location, Sec. 15, T-21S, R-27E, Eddy County, NM

Dear Mr. Kapteina:

Mr. Bill Gressett inquired by telephone yesterday, if a location 100 feet East of the orthodox (1980° FN & EL) location might be as acceptable topographically as the unorthodox location (1650° FNL & 1980° FEL) requested.

In response to this question, we feel that the requested unorthodox location should be granted because: (a) the requested location is relatively flat compared to the alternative location which would be on a ridge which drops sharply to the South; (b) the size of the drilling pad could be unnecessarily limited on the alternative unorthodox location due to the obstruction of a junked and abandoned well (1980 FN & EL) and the steep ridge to the South and East.

In addition to the list of offset operators attached to our letter of application, we have sent notification to Allied Chemical Corporation and J. M. Huber Corporation, owners of the offsetting well in the N/2 of Section 14.

y truly yours,

cc: Bill Gressett
Oil Conservation Commission

Artesia, New Mexico

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harvey e. yates company, inc.

SUITE 1000 SECURITY NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO - 88201



TO: OFFSETTING LEASE OWNERS
Cedar Hills Unit #2
(Mailing list attached)

Re: E/2 Section 15, T-21S, R-27E, Eddy County, NM

Gentlemen:

Attached please find an application made to the New Mexico Oil Conservation Commission for administrative approval of an unorthodox location in the SW/4 of the NE/4 of Section 15, T-21S, R-27E. The unorthodox location is sought to avoid an existing junked and abandoned well and for topographical reasons.

In order to evidence your acceptance of this location, please sign below and return this letter to us in the attached envelope at your early convenience.

Very truly yours,

George M. Yates

ACCEPTED JANUARY,	DAY	OF

By:

OFFSETTING LEASE OWNERS

Donald B. Anderson
Box 1
Roswell, New Mexico 88201
Attention: Mr. Fred Milsap

Perry R. Bass P. O. Box 171 Midland, Texas 79701

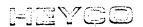
Coquina Oil Company
Building of the Southwest
Midland, Texas 79701

Exxon Corporation
P. 0. Box 1600
Midland, Texas 79701
Attention: Mr. Marvin Wigley

Shinnery Investment Company Security National Bank Bldg. Suite 1000 Roswell, New Mexico 88201

Texaco, Inc.
P. 0. Box 3109
Midland, Texas 79701
Attention: Mr. E. H. Watkins

Triton Oil & Gas Company 2310 Republic Bank Tower Dallas, Texas 75201 Attention: Mr. Jim McDade



PETROLEUM PRODUCERS

Marvey e. Yates company, inc.

SUITE 1000 SECURITY NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO 88201

January 24, 1975



Mr. A.L. Porter, Jr., Secretary Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Harvey E. Yates Co.
Cedar Hills Unit #2,
Burton Flat MorrowStrawn Pool, E/2
Sec. 15, T-21S, R-27E,
Eddy County, New Mexico

Dear Mr. Porter:

Pursuant to Commission Rule 104-F, we hereby make application for administrative approval of an unorthodox location, 1650' FNL and 1980' FEL of Section 15, T-21S, R-27E, in order to drill a well to test the Strawn and Morrow formations.

As evidenced by the attached plat and topography map of the area, an unorthodox location is necessary due to: a) The existence of a plugged and abandoned well on the preferred orthodox location, 1980' FNL and 1980' FEL of Section 15; b) The unorthodox location 1650' FNL and 1980' FEL is relatively flat and accessible in comparison with alternative locations in the SW/4 of the NE/4 of Section 15.

We are notifying, by certified mail, all offsetting operators listed on the attached ownership plat.

Mr. A. L. Porter, Jr. January 24, 1975
Page 2

Your early approval of this application is respectfully requested.

Very truly yours,

George M. Yates, Vice President

GMY:dm

cc: Allied Chemical Corp.
Donald B. Anderson
Perry R. Bass
Coquina Oil Co.
Exxon Corp.
J. M. Huber Corp.
Shinnery Investment Co.
Texaco, Inc.
Triton Oil & Gas Co.

.EXICO OIL CONSERVATION COMMISSI

All distances must be from the outer boundaries of the Section

Supersedes C-128 Effective 1-1-65

WELL LOCATION AND ACREAGE DEDICATION PL

Well No. Operator 2 Cedar Hills Unit Harvey E. Yates Company Hange Section Township Unit Letter 27E Eddy 215 15 G Actual Footage Location of Well: 1980 East 1650 North feet from the teet from the line and Ground Level Elev. Producing Formation Dedicated Acreage: Burton Flat Strawn-Morrow 320 3324 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? If answer is "yes," type of consolidation Communitization Agreement dated 4/1/68 XX Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Name Position Coquina Yates State Vice President K-3977 Harvey E. Yates Co. Harvey E. Yates Co. Coquina Oil Corp. January 24, 1975 L-2351 I hernby certify that the well location P.R.Bass shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same ♣ McGruder Bass State #1 7 State-P&A knowledge and belief. L-2351 Date Surveyed P.R. Bass Registered Professional Engineer and/or Land Surveyor Certificate No. 1320 1650 1980. 2310

1000

500

