



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

JUN 15 1982

NSL-159
Wolfcamp & fms
Permian/Vanadium
7-5-82
Rule 104 F

June 10, 1982

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

2535 from n 2
584' from W. Lane

Re: Eng "TX" Federal #1
Lease No. NM-26864
Section 35-T19S-R24E
2600' FNL and 660' FWL
Eddy County, New Mexico

2535' 584'

Dear Sir:

Yates Petroleum Corporation requests administrative approval of an unorthodox gas well location as provided for under NMOC Rule 104F.

The referenced well requires the west half of section 35 be dedicated to it. We think the best new channel sand is at 2600' FNL - 660' FWL. Hence, this request is for geologic reasons. Geologic information will be sent by separate letter.

Following are the formations we expect to drill through:

San Andres
Glorieta
Abo
Wolfcamp Lime
Lower Canyon

Strawn
Atoka
Morrow Clastics
Chester

W/2 dedication

All offset lease holders are being notified by a certified copy of this letter and asked to submit waiver for the non-standard location to your office.

Thank you for your immediate attention to this request and if there are any questions, please call me.

Sincerely,

Cy Cowan
Cy Cowan
Regulatory Coordinator
YATES PETROLEUM CORPORATION

GR/dw

cc: Read & Stevens; Gulf Oil Explor. & Prod.; Mrs. Gordon Cone

these formations not covered by geologic exceptions in Rule 104 F II

Yain called today (6/22) and asked that geological report requirement of Rule 104 F III be waived because the location is crowding their own lease-line. Advised them that the rule did not allow for such waivers and that the geological report is required.

Eng TX Fed #1

P 243 001 087
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO		STREET AND NO.		P.O. STATE AND ZIP CODE		POSTAGE	
Head & Stevens		Box 1518		Roswell, NM 88201			
CONSULT POSTMASTER FOR FEES		OPTIONAL SERVICES		RETURN RECEIPT SERVICE		CERTIFIED FEE	
		SPECIAL DELIVERY		SHOW TO WHOM AND DATE DELIVERED		c	
		RESTRICTED DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		c	
TOTAL POSTAGE AND FEES						\$	
POSTMARK OR DATE						6/14/82	

Eng TX Fed #1

P 243 001 086
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO		STREET AND NO.		P.O. STATE AND ZIP CODE		POSTAGE	
Full Oil Explor & Prod.		Box 1150		Midland, TX 79702			
CONSULT POSTMASTER FOR FEES		OPTIONAL SERVICES		RETURN RECEIPT SERVICE		CERTIFIED FEE	
		SPECIAL DELIVERY		SHOW TO WHOM AND DATE DELIVERED		c	
		RESTRICTED DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		c	
TOTAL POSTAGE AND FEES						\$	
POSTMARK OR DATE						6/14/82	

Eng TX Fed #1

P 243 001 085
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO		STREET AND NO.		P.O. STATE AND ZIP CODE		POSTAGE	
Mrs. Gordon Cone		Box 1509		Lawrence, MO			
CONSULT POSTMASTER FOR FEES		OPTIONAL SERVICES		RETURN RECEIPT SERVICE		CERTIFIED FEE	
		SPECIAL DELIVERY		SHOW TO WHOM AND DATE DELIVERED		c	
		RESTRICTED DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c	
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		c	
TOTAL POSTAGE AND FEES						\$	
POSTMARK OR DATE						6/14/82	

RECEIVED
JUL 13 1982

1559

Waiver

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Attention: Mr. Joe Ramey, Secretary-Director

Gentlemen:

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for an unorthodox gas well location for their Eng "TX" Federal #1.

We hereby waive any objection to the granting of this application for Well No. 1. This well is to be located 2600' FNL & 660' FWL of Section 35, T-19-S, R-24-E, Eddy County, New Mexico.

Executed this 9th day of July, 1982.

Yours very truly,

Gulf Oil Corporation


C. F. Kalteyer
Chief Proration Engineer

DA

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

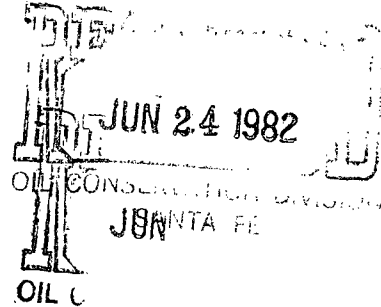
Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

June 22, 1982



Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: Eng "TX" Federal #1
Lease No. NM-26864
Section 35-T19S-R24E
2600' FNL and 660' FWL
Eddy County, New Mexico

Dear Mr. Ramey:

Read & Stevens, Inc. as an offset lease holder has no objection to Yates Petroleum Corporation drilling the referenced well at a location of 2600 feet FNL and 660 FWL of Section 35-T19S-R24E, Eddy County, New Mexico.

Very truly yours,

READ & STEVENS, INC.

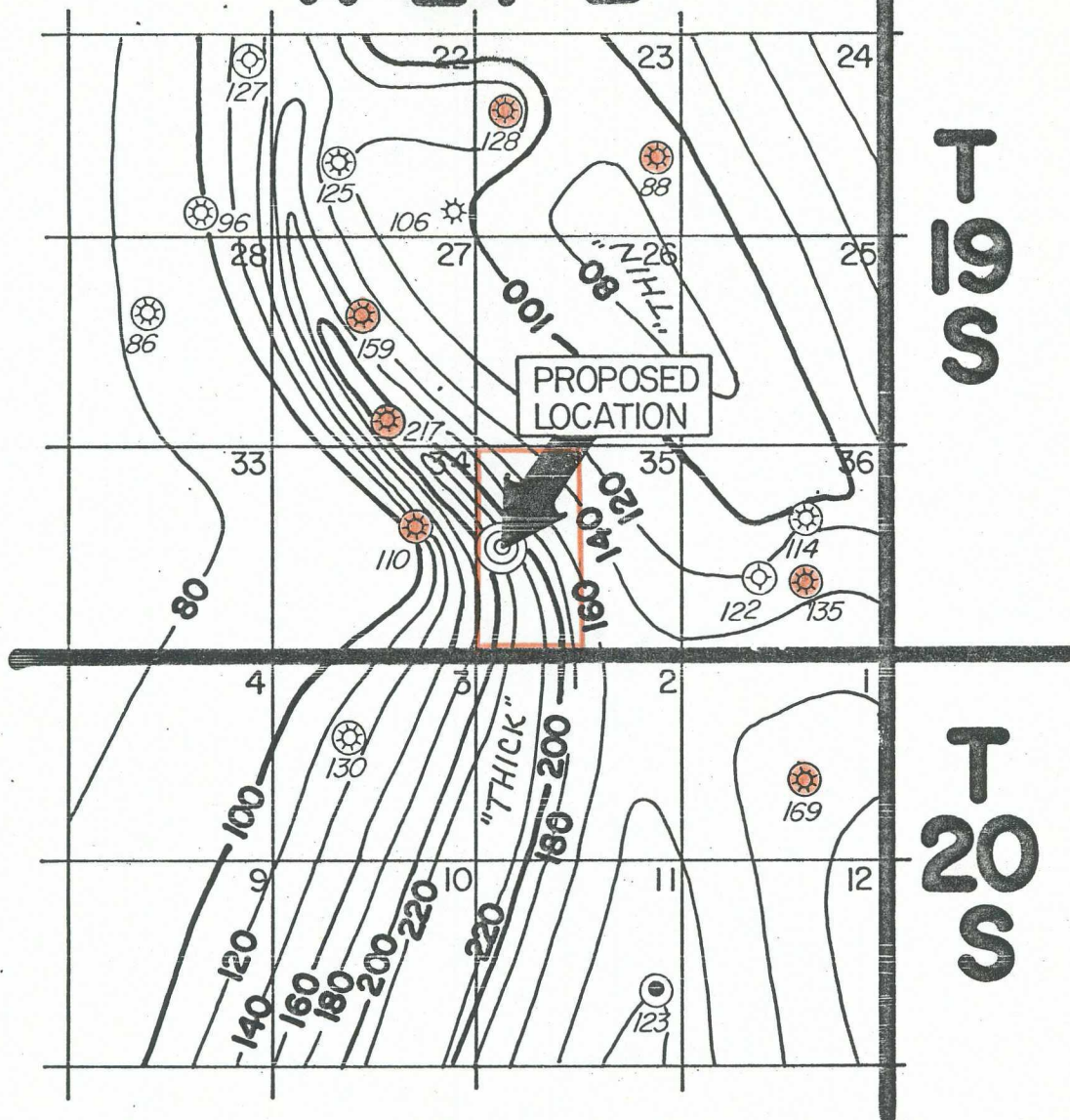
Legene Gay

Legene Gay
Associate Land Representative

LG:tr

cc: Mr. Cy Cowan
Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

R-24-E



LEGEND

☼ Morrow Penetration

127 ← Morrow Clastics Thickness

☼ Morrow Clastics Gas Well

☼ Producing From Horizons Other Than Morrow

200
Isopach Contours C.I. = 20 feet.

SCALE 1" = 5000'

Unorthodox Location
Yates #1 Eng "TX" Federal
Exhibit #2

GEOLOGIC CONDITIONS
FOR THE
UNORTHODOX LOCATION
OF THE OIL WELL
YATES PETROLEUM CORPORATION #1 ENG "TX" FEDERAL
2600' FNL & 660' FWL
Section 35-19S-24E

JUN 30 1982

Yates Petroleum Corporation respectfully requests administrative approval for the unorthodox location of its proposed Eng "TX" Federal #1 to be drilled 2600 feet from the North line and 660 feet from the West line of Section 35, Township 19 South, Range 24 East, Eddy County, New Mexico. The West half of Section 35 would be dedicated to the well.

The necessity for this unorthodox location is based upon geologic conditions.

Exhibit #1 is a land plat showing the proposed location and its relationship to the surrounding acreage situation. Yellow denotes acreage in which Yates has full or partial operating rights. The proration unit is outlined in red.

Exhibit #2 is an isopach map showing the varying thickness of the Morrow clastics. Although strike-fed, thinner sands along "thins" may produce gas in quantities varying from sub-economic to economic, wells located along or close to the axes of Morrow clastics "thicks" have a much better chance of encountering the more economically successful, gas-productive, dip-fed, thicker Morrow clastics channel sands. For example, the Oakason "NV" #1 and #2 (both in Section 27 of 19-24), which are located along the axis of a "thick," have encountered good gas-productive Morrow channel sands.

According to the present interpretation of extant data, a well drilled at the proposed location should encounter a Morrow clastics "thick" and one or more channel sands.

Exhibit #3 is an annotated excerpt from the Compensated Neutron - Formation Density log of the Yates #1 Oakason "NV" in the South half of Section 27. Shown on the log are the pertinent tops and isopach intervals picked by correlation.

In summary, the proposed unorthodox location is the best allowable location in the West half of Section 35 which would enable the borehole to penetrate the axis of a Morrow clastics "thick". It is anticipated that the penetration of the axis of this "thick" will increase the chances of encountering one or more Morrow channel sands.

The above discussion of geologic conditions and Exhibits #2 and #3 were prepared by Ray Beck and Exhibit #1 was prepared under his direction. Ray Beck is employed by Yates Petroleum Corporation as a geologist in Artesia, New Mexico, and has been accepted as an expert witness by the New Mexico Oil Conservation Division on previous occasions.

