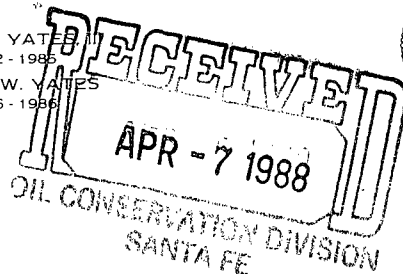


Release Date: April 24, 1988

By DRC

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



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

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 4, 1988

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

ATTENTION: Mr. William LeMay

NSL-250
RULE-104F(I)
South Pecos Slope Abo Geo Pool
160 Acres dec.
NE 1/4 Section 8

RE: Unorthodox location for
Hargrove AFH #1
1980' FNL and 625' FEL of
Section 8-T10S-R25E
Chaves County, New Mexico

Dear Sir:

Yates Petroleum Corporation respectfully requests an administrative approval for a proposed unorthodox location as provided for under NMOC Rule 104F.

Our preferred location for this well was 1980' FNL and 825' FEL. Our reason for requesting this non-standard location is that our preferred location fell in a sink hole. We have chosen to drill our non-standard location 1980' FNL and 625' FEL.

Enclosed please find a copy of the lease map showing offsetting lease operators, a topographical map of the area and a surveyors plat. Offsetting lease operators have been notified of our intentions by certified mail, via a xerox copy of this letter, along with a waiver stating that they have no objections. A copy of the certification is enclosed.

Formations we expect to drill through are: San Andres, Glorieta, Yeso and will TD in the Abo.

If you should have any questions concerning this matter, please do not hesitate to call. Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Rusty Jernigan
Rusty Jernigan
Regulatory Secretary

rj

Enclosures

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

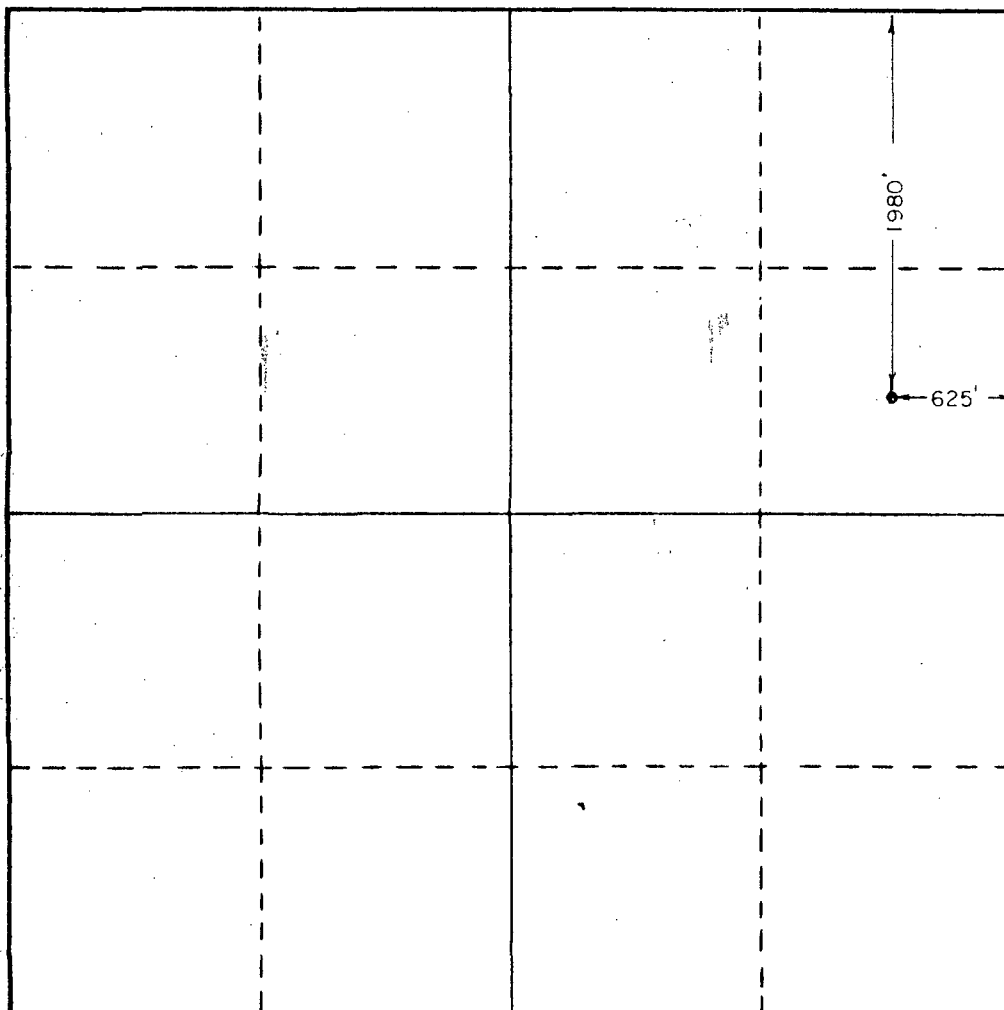
Operator YATES PETROLEUM CORPORATION			Lease HARGROVE "AFH"		Well No. 1
Unit Letter H	Section 8	Township 10 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 625 feet from the East line and 1980 feet from the North line					
Ground Level Elev. 3519.5	Producing Formation Alto	Pool Pecos Slope Alto	Dedicated Acreage: 160 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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

Rusty Jernigan
Name

Rusty Jernigan

Position

Regulatory Agent

Company

Yates Petroleum Corporation

Date

April 4, 1988

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 knowledge.

Date Surveyed

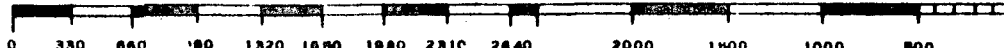
**HERSCHEL
L. JONES**

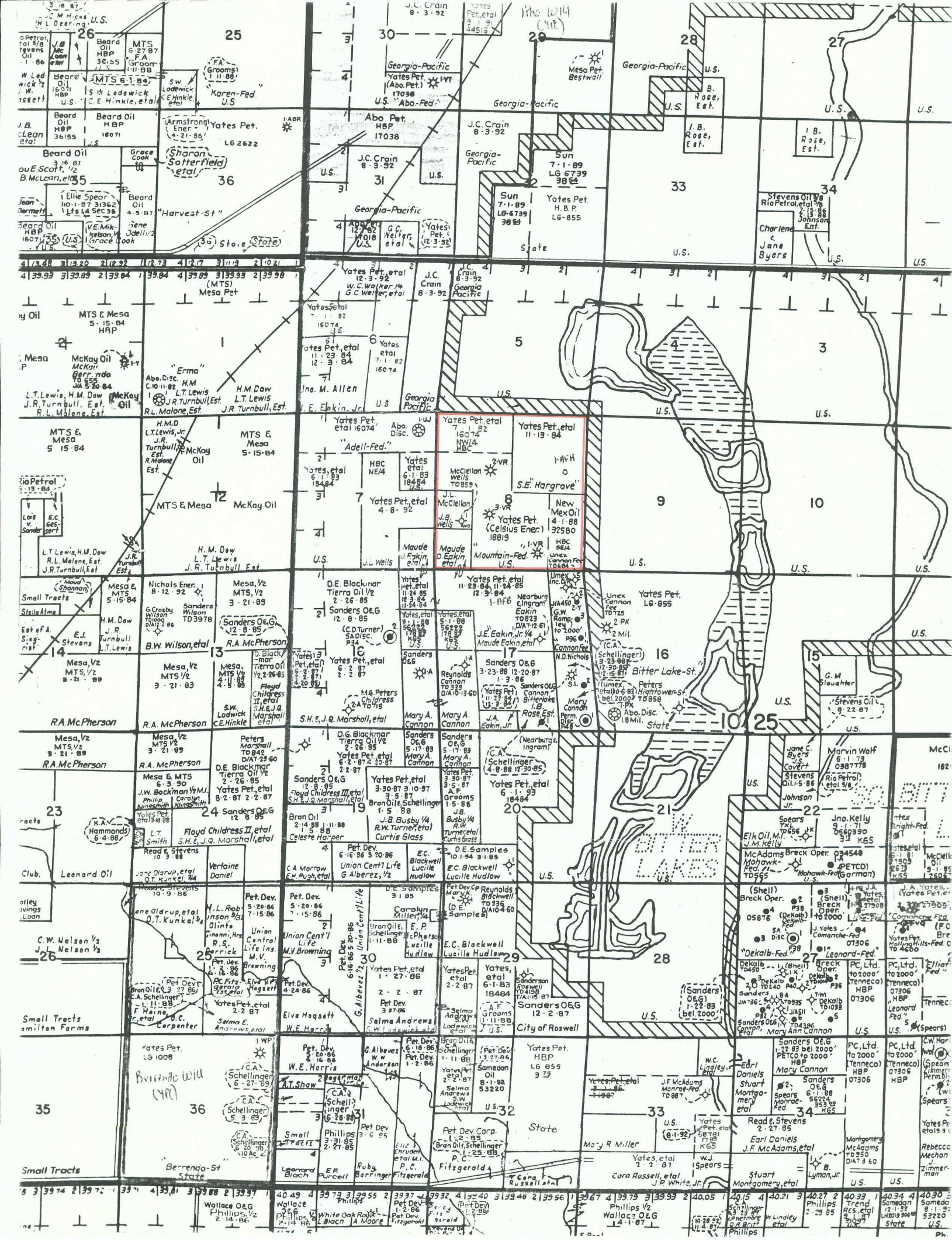
Registered Professional Engineer
and/or Land Surveyor

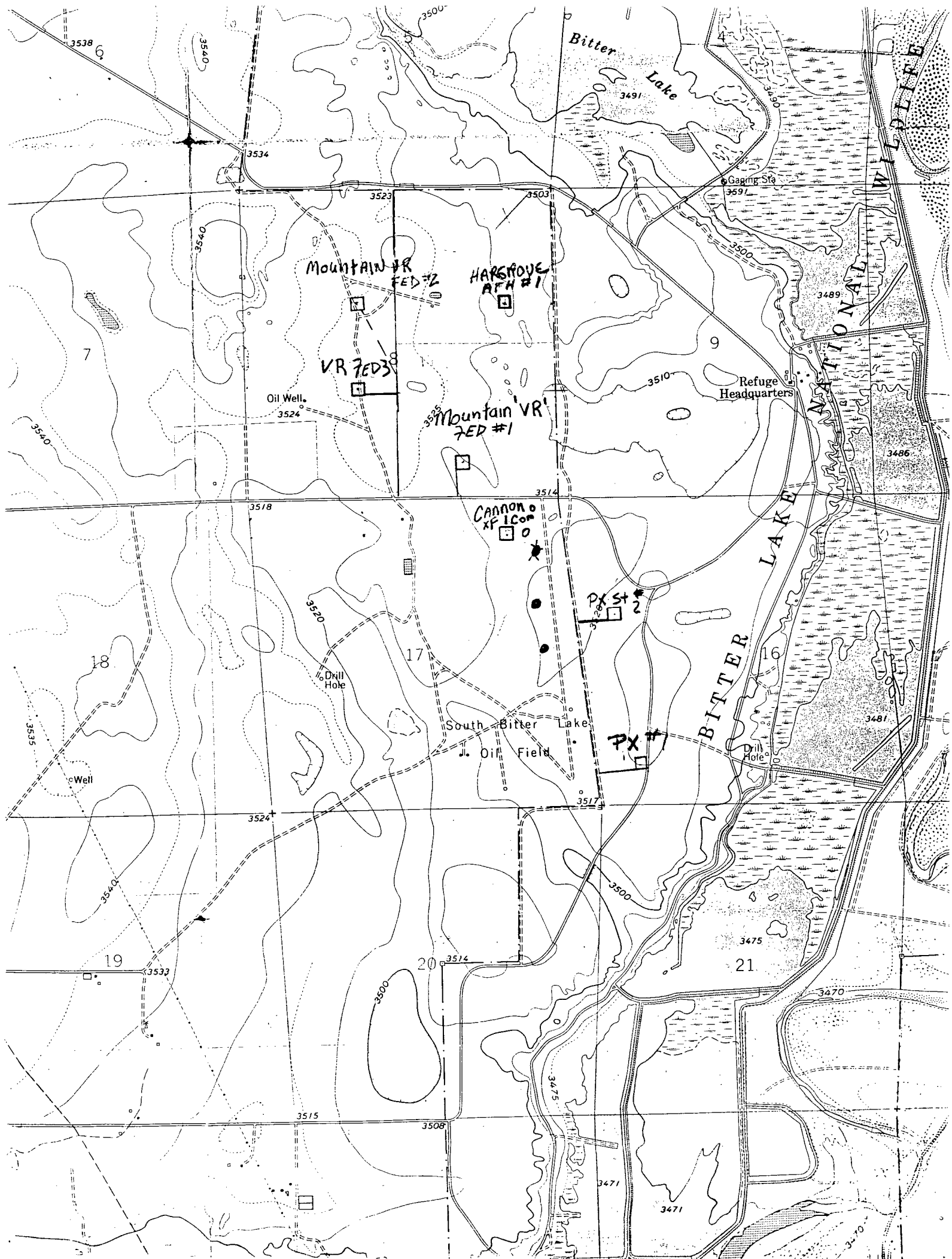
[Signature]

Certificate No.

3640







YATES PETROLEUM CORPORATION
Non-Standard Location
Hargrove AFH #1
1980' FNL and 625' FEL of
Section 8-T10S-R25E
Chaves County, New Mexico

CERTIFIED COPIES MAILED TO:

Celsius Energy Company
P. O. Box 11070
Salt Lake City, UT 84147
Attn: Mr. Ken Wiley

New Mexico Oil Corporation
P. O. Box 1714
Roswell, NM 88202
Attn: Mr. Larry Harris

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



RECEIVED
APR 12 1988

NEW MEXICO
OIL CONSERVATION
DIVISION
SANTA FE

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

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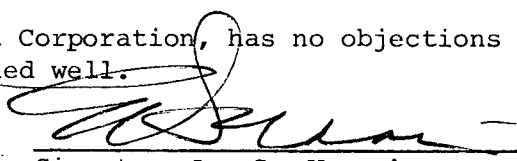
April 4, 1988

RE: Non-Standard Location for
Hargrove AFH #1
1980' FNL & 625' FEL of
Section 8-T10S-R25E
Chaves County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico 88210, to the attention of Rusty Jernigan, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed non-standard location listed above. A xerox copy of a letter to Mr. William LeMay is attached to tell you of our intentions.

W A I V E R

As an offset operator, New Mexico Oil Corporation, has no objections to the non-standard location for the captioned well.


Signature L. C. Harris

PRESIDENT
Title

April 11, 1988
Date

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



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ARTESIA, NEW MEXICO 88210
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April 4, 1988

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W A I V E R

As an offset operator, Celsius Energy Company, has no objections to the non-standard location for the captioned well.

Signature

Title

Date

P 728 600 151

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Celsius Energy Company	
Street and No. P. O. Box 11070	
P.O. State and ZIP Code Salt Lake City, UT 84147	
Postage Ken Wiley	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom. Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 5, 1988 Hargrove AFH NSL	

PS Form 3800, June 1985

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



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April 4, 1988

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W A I V E R

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Signature

Title

Date

P 728 600 150

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to New Mexico Oil Corporation	
Street and No. P. O. Box 1714	
P.O., State and ZIP Code Roswell, NM 88202	
Message Mr. Larry Harris	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 5, 1988 Hargrove AFH NSL	

PS Form 3800, June 1985