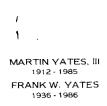
NSL 11/8/99





CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES

S. P. YATES

PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY

TREASURER

ARTESIA, NEW MEXICO 88210-2118 OCT | 8 1999

TELEPHONE (505) 748-1471

8-1471

Car 12241

CONSERVATION DIVISION

October 15, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508

<u>CERTIFIED MAIL</u> Return Receipt Requested

RE:

Application for Unorthodox Location

R.L. Burns ATL #1

Wildcat Mississippian Pool E/2 Section 11, T16S, R35E Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Mississippian gas well, the R.L. Burns ATL #1. The proposed well is located on fee minerals, 330' FSL and 330' FEL of Section 11, Township 16 South, Range 35 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. We will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub and tie back to the 8 5/8" casing from 1438' to the surface. We will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. We will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian formation at approximately 12, 700', run logs and run 5" casing.

Yates concludes that it is cheaper to re-enter this well than to drill a new well and would be in the best interest of conservation.

Notification to the offset operator to the south, east and southeast was made by certified mail on October 15, 1999, including a copy of this application letter with all attachments.

Yates requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Enclosed are Forms C-101, C-102, land plat and notification list of offset operators including letters of waiver.

Please call me at (505) 748-4351 if you need further information.

Thank you.

enclosure(s)

Very truly yours,

YATES PETROLEUM CORPORATION

Pert Burlock

Robert Bullock

RB:bn

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



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

S. P. YATES

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

October 15, 1999

Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, Oklahoma 73154-0496

RE: Offset Operator Notification

Unorthodox Location R.L. Burn ATL #1

Township 16 South, Range 35 East Section 11: 330' FSL & 330' FEL

Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

hert Bullah

Robert Bullock Landman

RB/dc enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

CHESAPEAKE OPERATING, INC.

By: ______

Title: ______

Date: _____

MARTIN YATES, III 1912 - 1965 FRANK W. YATES 1936 - 1966



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

S. P. YATES
CHARMAN OF THE BOARD
JOHN A. YATES
PHERIDENT
PEYTON VATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEV
TREASURER

October 15, 1999

Merit Energy Company 2510 W. Ohio Avenue Midland, Texas 79701

RE:

Offset Operator Notification

Unorthodox Location R.L. Burn ATL #1

Township 16 South, Range 35 East Section 11: 330' FSL & 330' FEL

Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

obert Bullak

Robert Bullock Landman

RB/dc enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

MERIT ENERGY COMPANY

By: ______
Title: _____
Date: _____

MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1836 - 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

October 15, 1999

David H. Arrington Oil and Gas, Inc. P.O. Box 2071 Midland, Texas 79702

RE:

Offset Operator Notification

Unorthodox Location R.L. Burn ATL #1

Township 16 South, Range 35 East Section 11: 330' FSL & 330' FEL

Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

YATES PETROLEUM CORPORATION

Solver Faullick

Robert Bullock

Landman

RB/dc enclosure(s)

Very truly yours,

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

DAVID H. ARRINGTON OIL AND GAS, INC.

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



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

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

September 29, 1999

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe. New Mexico 87508

CERTIFIED MAIL Return Receipt Requested

RE:

Application for Unorthodox Location

R.L. Burns ATL #1

Wildcat Mississippian Pool E/2 Section 11, T16S, R35E Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Mississippian gas well, the R.L. Burns ATL #1. The proposed well is located on fee minerals, 330' FSL and 330' FEL of Section 11, Township 16 South, Range 35 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. We will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub and tie back to the 8 5/8" casing from 1438' to the surface. We will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. We will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian formation at approximately 12,700', run logs and run 5" casing.

Yates concludes that it is cheaper to re-enter this well than to drill a new well and would be in the best interest of conservation.

Notification to the offset operators to the south, east and southeast was made by certified mail on September 29, 1999, including a copy of this application letter with all attachments.

Yates requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Enclosed are Forms C-101, C-102, land plat and notification list of offset operators including letters of waiver.

Please call me at (505) 748-4351 if you need further information.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

et Bullack

Landman

RB:bn enclosure(s) District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT

Yates Petroleum Corporation											² OGRID Number 025575	
		th Street					³ API Number 30 - 0 25-24559					
			Artes	ia, New I	Mexico 8821				1	30 - 0 4		
* Prope	erty Code			roperty Name Burns ATL			- 1	• Well No. 1				
		J			⁷ Surface							
UL or lot no.	Section	Township	Township Range Lot Idn			T		Feet from the East/V		est line	County	
P 11 16S 35E . 330'			330'	South	3	30'	Eas	st	Lea_			
		8 Pı	roposed	Bottom	Hole Locat	ion If Diffe	rent Fr	om Surf	ace			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South L		from the		est line	County	
	Wi	'Propos .ldcat M	l ved Pool 1 lississ	ippian		1		14 Propos	ed Pool 2	2	1	
_	Type Code		¹³ Well Type G	: Code	i .	e/Rotary Lease Type Code			de	¹⁶ Ground Level Elevation 3971 !		
Multiple "Proposed Depth No 12,700"				0'	<u> </u>		Not	"Contractor Not Determined		²⁶ Spud Date ASAP		
			2:	Propos	ed Casing a	ind Cement	Progra	ım				
Hole S		Cas	ing Size	Casi	ng weight/foot	Setting De	pth	Sacks of	Cement	<u>t </u>	Estimated TOC	
<u>17 1</u> 11"	<u>/2"</u>		3/8"		18#	375'In		325			rculated	
		 	5/8"		& 32#	4762'In Place			500 sx		rculated	
7 7	/8"	5	1/2"		17#	12,700	'	750	sx	TC	C 7000'	
		<u> </u>				-						
zone. Describ SEE	e the blowo	ut prevention ED PAGE For NSL	program, if	any. Use ac	PEN or PLUG BA dditional sheets if a Mexico En	becessary.						
	tify that the i	information gi	ven above is	true and comp	plete to the best		II CON	ICEDVA	TY O			
23 I hereby cent	loc and belie	f.			. 11	O		AOEN A W	ULL	ז אזע א	SION	
²³ I hereby cert of my knowled Signature:	lge and belie					Approved by:	iL COI	NOEK V A	TIOI	A DIAI	SION	
of my knowled		eardemp	.h1					NOEK V A	TIO	A DIAI	SION	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number				² Pool Code			³ Pool Name						
30-025-	24559	į.										į	
⁴ Property Code				⁵ Property Name							Well Number		
					R.L.	Burn	s ATL			-ŝ		1	
OGRID No.					' O ₁	perator	Name					* Elevation	
0255	75				YATES	PET	ROLEUM CORP	ORAT	NOI	,		3971'	
	¹⁰ Surface Location												
UL or lot no.	Section	Township	Range	Lot Ide	Feet from	a the	North/South line	Fee	Feet from the East		t line	County	
P	11	16S	35E		330'		South	1	301	East		Lea	
11 Bottom Hole Location If Different From Surface													
UL or lot no.	Section	Township	Range	Lot Ide	Feet from	n the	North/South line	Fee	t from the	East/Wes	line	County	
12 Dedicated Acr	es '' Joint	or Infill 14	Consolidatio	n Code	13 Order No.							~ 	
320									•				
	VABLE '	WILL BE	ASSIGNE	D TO	THIS COMP	LETIC	ON UNTIL ALL	INT	ERESTS H	AVE BE	EN CO	NSOLIDATED	
		OR A	NON-ST	ANDAF	RD UNIT H	AS BE	EEN APPROVED	BY	THE DIV	ISION			
16									17 OPER	RATOR	CER'	TIFICATION	
				I								consained herein is	
						1			true and com	iplese to the l	est of my	knowledge and belief	
						1							
				1									
	Ì												
				-₽						~	~		
				1		1		1	Signature (170.1			
						1			Printed Nam	Ullu	4		
				ı		J.			rnoted Nan	ken B	earde	mphl	
								ŀ	Title				
				ı		6				Landm	an		
								i	Date Sept	tember	23, 1	.999	
					116							TIFICATION	
					7	1						on shown on this plat	
						ĺ		ì	was plotted)	from field not	es of actu	ial surveys made by	
					•	1				my supervisi to the best of		hat the same is true	
	-			i				1			,		
						{			Date of Surv	rey			
}										d Scal of Pro	fessional	Surveyer:	
									Ref	er to	\bigcirc r	ibal	
	,	,							1151	01 +		J • • • • • • • • • • • • • • • • • • •	
						-		32/		hlal			
				ł			m m	آ	Certificate N	lumber			

DRILLING PROGRAM

R.L. Burns ATL #1 Page 2

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. Will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub, and tie back to the 8 5/8" casing from 1438' to the surface. Will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. Will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian Formation at approximately 12,700', run logs and run 5" casing.

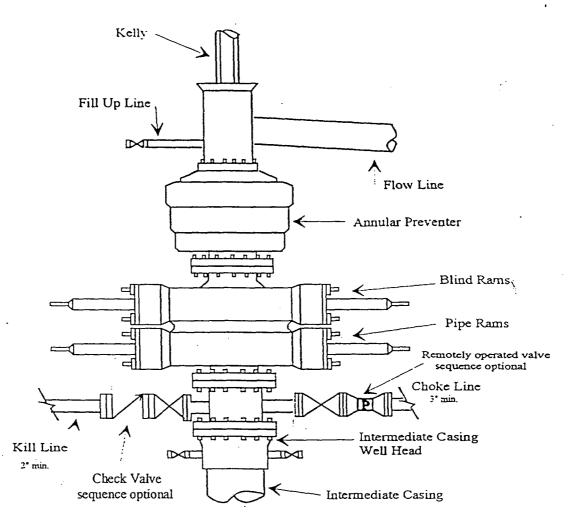
MUD PROGRAM: Will use Cut Brine, 9.3 ppg, viscosity 29-33.

BOPE PROGRAM: 5000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

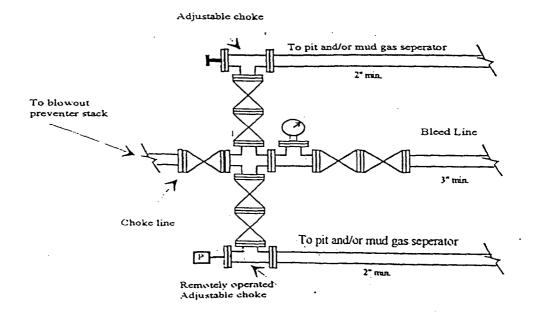
11234	All dist	ences must be fre	om My outer boun	derive of the Sec	tion.	
-	URNS CORPORAT	ION	!.eann	WITT		Well No.
Joit Letter Sect	Tovarhip	16 S	Reina 3	5 E	LEA	
Actual l'estage Location						
	of from the SOUTH	line and		330 fort from t	he EAST	line Detterned
3971.61	Producing Permetten Strawn		Prot Undes Nor	rth Shoe Ba	ir l'enn	Dedicated Acreage: 来来来 160
1. Outline the ac	renge dedicated to the	ie nubject we	ll by colored	pencil or hac	iure marks on t	he plat below.
2. If more than control interest and re		ed to the well	, outline each	and identify	the ownership t	thereof (both as to working
	ne lease of different o unitization, unitizatio			ie well, have	the interests o	f all owners been consoli-
X Yes [No If answer is	"yes;" type o	Consolidatio	n Communit	ization	
		and tract descr	riptions which	have actually	/ been consolid	lated. (Use reverse side of
this form if nee No allowable v	vill be assigned to the	well until all	interents hav	c heen canso	lidated (by cor	nmunitization, unitization,
forced-pooling, sion.	or etherwise) or until	a nen-standare	l unit, climina	ting such inte	rests, has bee	n approved by the Commis-
	The state of the s		i			CERTIFICATION
			i • ~	1776	Lharahy	certify that the information con-
	1		200	1 47	1 1	erein is true and complete to the
	! 		1/8/13/1		(1 .	ny knowledge and belief.
	1			7.0 <u>12.</u>	110,000	11 10
	1				Folition Against	whilles
					Company	unna Connenation
			; !		Date	er 27, 1973
			1		- NOVEMBE	
· ·	† †		· • • • • • • • • • • • • • • • • • • •		w i	certify that the well location
	i		i		44 1	this plat was plotted from field actual surveys made by me or
			,		2 1	cobernision, and that the same
•	1		1		4 1	and correct to the best of my leand ballef.
	.					•
	1		1	•	Date Surve	yed ONER 10,1973
	.		1	::	Registered	Professional Engineer
:			 	33 33 3		for W West
330 060 '50	1320 1630 1080 2310 3	440	ACOUNTY TO A STATE OF THE STATE	Para Carrier	Certificate	No. 676
000 00	1430 1880 5316 3	640 2000	1500 (0	00 800	0	

Yates Petroleum Corporation

Typical 5.000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimun features



6 28 37 (6 28 37)	Mike E Dan Field (6) gl	(machins) 32:3 & 1:AF5 State Mike&Dan Field(Sisec.	Wesibrook 2	agher-St. VA 604 Field-St.	F. J. Danglade TCH Rop. Inc.,	Speight Fee Str. Disc.
Mobil A locze	Alvon Drig. Meridio Degradus B. 1062 TO \$10 Miss Disc. Mike & Dan Field SI	ER.Bruno	Permion 2 Yeles Permion 2 Yele	ef etal APP M. Shearn HBP	W.LOVINGTON	C B Sillespie
248.000 (1)	Arrington 11000 18 11-30-2000 12-16 2-96 Mike E Dan	D.H. YTBruno E.) Arring Marshall!	Symmorely Yates Pet.	(5) - 100 E 7 1/20 Crean En	PIE CROW (OPER	Gillespie
(Shell) Gulf I TA	(Shell) They (Cenard) F012250	7.5.99 6.27.99	126.97 Great 6 129.97 Great 6 1129.976 Great 6 1.82.65	Chevron P264	CB Gillespie	Yates Pet. et 12 · 1 · 200
hire nsend 803	E-3285 MINEE Dan 2-TA FIED (S) 4 all 3-TA C Sec. A	Field "J/AS1005" EEX OPET Hilburn 8 99 V 4416 3 10100 Miles That the banner	Machris Pet eai\ (She') 429 2001\ HNbyrn 61212	Toceon Sulf En State UMC Pet. 5 Jownsend-	ol prof.	VB-457 103 <u>92</u> ≠3-c te`Gillespie te`State
(Cone),	Matador Pet. B-10029	Yates Petutul Yates Petutul Yates Petutul Yates Petutul (Pan Ameri)	Davides Koch E, etal 2:1799 Bisser SI	Runnels - 4 Vales Vales Per., etal 1 · 9 · 2003 C	Chesapeake. 2 1 2003 V 5250 693 75	Ochesa Ochesa Ocaka
7 16 99 2 (Cone) Harrod	P/B ⊕P85	32:10 LBrunson) 42:10 LAQK Tates Pott	Simmons, PerryElerry	3.27.99,1.12.99	PanAmer.)	Amer. 6.1.7 Liberty VA.12 St. 1205 236 D/AIO-15-52
⊥ ≠(ρα) :t.	Corlisle F303 Corlisle F303 St. Com P34 F210 Dols Y	Atoka Disc O HBC-E12 Yates Big Flat ASN Ly St. Com	Watts) HBC Yates Pet. W/2 Shell-Lusk-(At. Disc.) Yales Pet., et al	Com. 1.4.20011.5-99	Yates Pet. etal	State Shalfant Pr measan
1 (18,13048) (Shus)	CUMC.Pet. Tund bel.L.Permo- Cori Pennbdse, Pennbdse,	8 1062 "26"	VA 753 7	RIBUTTS WOTTS IN	Chesapeak Oper. 10-3-2000, 5-22-2001 TXO (1-8-99) Embedde TLUBKM (2)	J. M. McLei Chalfant Mesc Prop. Garri 12:12:2000 Tulls Josephine Garri
tou '	Ameristate 0.8,6. 3.25.2001-to 10,000'	11:25:2000 - Thearburg		v. R. Hilburn eTrad.Co. anto c. E. Oberhotter	Merit Ener. **Hilburn** M.A.Trovis, etal	Yates Pet.e 2 A.9.20 (PR) F12 Merit
, .	Zola Mae Holland E, (wo) Marbob En AM.	VFPet. MA.Corter Eidson Chalfent 1012700 Chalfent 1012700 Chalfent Chalf	HBC 7 15 7	Bledsoe	B.R.Hilburn, etal 2 Merit Ener. 1264 Merit Ener. 1264 Miser 1251. Disc. F.J. Danglode M.I. L.T. Cartisla	Lister C.C. Liste
I. Brown Speight TO 11760` ~	0.12.7001 11	G. W. Nickson et (5.76 nov.) Ameristate with 0 6.6 et al (11.26 200b) (11.26 200b) (12.9 2000) (18 R/Shorp Challent F. Pet.)	(ICA Ener.) V Mark Shidler	Manzano Oil 9450-10950	Merit Ener.	Ameristate
16	35 Bristof, eta	onglade 10.20.2000 1/4 M. (1 : 14 - 2001 1 a ck/11 an 1 : 26 - 2001	Monsonto St." ICA Ener. (RM.Edsel) Prito 10,700' Manzano Oil K5754	J (Pubco) MMesa Shelly St. Pet.) Dual Disc. Pet.) I Morr 7.7 Mil. WC. F336	First Not'l Bn So.Pet.Expl. 1/2 MI W.H. Al Squisky	Symruk 1012027 k.Midland 2 J.E. Stoke
ra 7 9	Yates (Pet., etal. 8 · l · 99	(S) (Sinclair Sinclair Find 2962 TMBR/Sharp Carlisle Ameristate OE,G	Mesu-31	(c/8)	Chesapeak TMBR/Sham	TMBRISHAN TM etal 11:15
74 <u>7</u> § er.) Base	V. 2561 12 58	4 28 98	TMBR/sharp.efal 4·28·98 •••••••••••••••••••••••••••••••••••	(US Oper)Chesapeake Legavelle 10.20.2001 this 0:50 11.25.2000 (C.85.co)	Meso Pet: LA. Chemiers Methers of TO 119 15 Chesapenke 11-25-2000 10-20-2000 S. Alston, etal, MI	TAMBRY The Sharp et al (1-1: 11-15-2000 1-2: 2-14-2001 10-1
	12 Ameristate 0 E, G 12 · 1 · 99	2 Yotes Eldson Tollezo	Del-Apache	Seth Alstonetal M.I. J. D. Leavelle B. Zerkine Boberts (S.) TMBR/Sharp, et al. 12.7.97 8.25.2000 John E. Stokes, MI.	C. E. MSPherson TMBR/ Sharp, etal Bates 10. 20. 2000 Payare 9-25. 2000 Til. 985	TMBR/Shar 2 3 200
	V 4538 102 ⁰8	Zola Mae Holland E, Marbob En. ½ M.I. Ei dso n	Stokes Zola 1010633 Mae DIA 9 9 66 Holland E. En. 1/2 M Is Eidson	TMBR/Sharpetal	U.E. Stokes 1 i vich	(2-14-200) 6 12-22 - 26

Notification List Offset Operators

Merit Energy Company 2510 W. Ohio Avenue Midland, Texas 79701

David H. Arrington Oil and Gas, Inc. PO Box 2071 Midland, Texas 79702

Chesapeake Operating, Inc. PO Box 18496 Oklahoma City, Oklahoma 73154-0496

OCT 14 1999



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

October 12, 1999

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attention:

Robert Bullock

Re:

Administrative application for an exception to Division Rule 104.C(2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to re-enter and deepen the plugged and abandoned R. L. Burns Corporation Witt Well No. 1 (API No. 30-025-24559), to be redesignated the R. T. Burns "ATL" Well No. 1, to the Mississippian formation at an unorthodox gas well location 330 feet from the South and East lines (Unit P) of Section 11, Township 16 South, Range 35 East, NMPM, Undesignated North Townsend-Mississippian Gas Pool, Lea County, New Mexico.

Dear Mr. Bullock:

It appears that your application is incomplete with respect to notice, the rules for unorthodox location applications were recently changed by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999, and by Division Order No. R-11205, issued by the Commission in Case No. 12177 (see copies attached). Your letters of notice attached to the application referenced the old rules.

I am therefore returning this application so that notification can be verified as being correct. Thank you.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

Kathy Valdes, NMOCD - Santa Fe

Mr. Randy Patterson, Yates Petroleum Corporation - Artesia

Mr. William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe

Ms. Lori Wrotenbery, Director NMOCD - Santa Fe