

DATE 1/3/02	SUBMITTED 1/23/02	ENGINEER MS	LOGGED IN KW	TYPE NSL	APP NO 200334265
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

JAN - 3 2002

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A]  Working, ~~Royalty or Overriding Royalty~~ Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chuck Moran  
Print or Type Name

*Chuck Moran*  
Signature

Landman  
Title

12-27-01  
Date

cmoran@ypcnm.com  
e-mail Address

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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
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

December 26, 2001

**CERTIFIED MAIL/RETURN RECEIPT**

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

Attention: Mr. Michael E. Stogner

Re: Administrative Application of Yates Petroleum Corporation  
for Approval of an Unorthodox Well Location  
Chaves County New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation in accordance with Division General Rule 19 NMAC 15.C.104.F applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for any and all gas production from surface to the base of the Granite Wash or basement formation for its proposed Pay AYY Federal Com #1 to be drilled at an unorthodox gas well location of 660 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 8 South, Range 26 East, NMPM, Chaves County, New Mexico and to be dedicated to a 320 acre spacing unit consisting of the W/2 of Section 11 for all formations in the Wolfcamp formation or older and a 160 acre spacing unit consisting of the ~~W/2~~ *NW/4* of Section 11 for the Abo formation, and in support states:

- 1) Yates Petroleum Corporation (Yates) is the operator of subject well and is a working interest owner in the W/2 of Section 11. (See Exhibit # 1, plat)
- 2) Yates proposes to drill its Pay AYY Federal Com. #1 at an unorthodox gas well location of 660 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 8 South, Range 26 East, NMPM, Chaves County, New Mexico with a primary objective of the Ordovician formation. (See Exhibit # 2, surveyed location)
- 3) The subject surface location is chosen based on the ability of Yates Petroleum Corporation (Yates) to obtain an Application for Permit to Drill from the Bureau of Land Management because of the topography of the immediate area and the underlying geology of potential productive zones.

- a) The proposed location is moved the minimal distance unorthodox off of the West line in order to have a topographically acceptable location and avoid the drainage ravine. (See Exhibit 3, Topo Map)
  - b) The proposed location still has the possibility to encounter the primary objective formation before the dolomite zeros out. (See Exhibit 4, Geological Explanation)
  - c) The Bureau of Land Management strongly disagreed with the legal location at 660' FNL and 660' FWL and recommended that we move the location to 660' FNL and 230' FWL in order to avoid the surface issues.
- 4) The subject well is to be drilled at an unorthodox location in an attempt to establish production from the lease in order to prevent drainage of the lease from the Railroad State #2 drilled at a location 660' feet from the South line and 660' from the West line, Section 2, Township 8 South, Range 26 East, NMPM.
- 5) The leases that are encroached on to the West are identified on Exhibit 1 and the owners are identified on Exhibit 5. Some waivers have been obtained from affected persons as defined by 19 NMAC 15.N.1207.A.2 and are included herein, any additional waivers will be forwarded upon receipt. (See Exhibit # 1 and #5, enclosed waivers)
- 6) In the event the Ordovician formation is not capable of commercial production in this well, then Yates intends to test all potential productive zones up hole and request this order approve the location for any productive zone for a 320 acre spacing unit, or 160 acre spacing unit as determined by the completion under the Commission's rules.

Wherefore, Yates Petroleum Corporation requests that the Division approve this matter administratively.

Respectfully submitted,

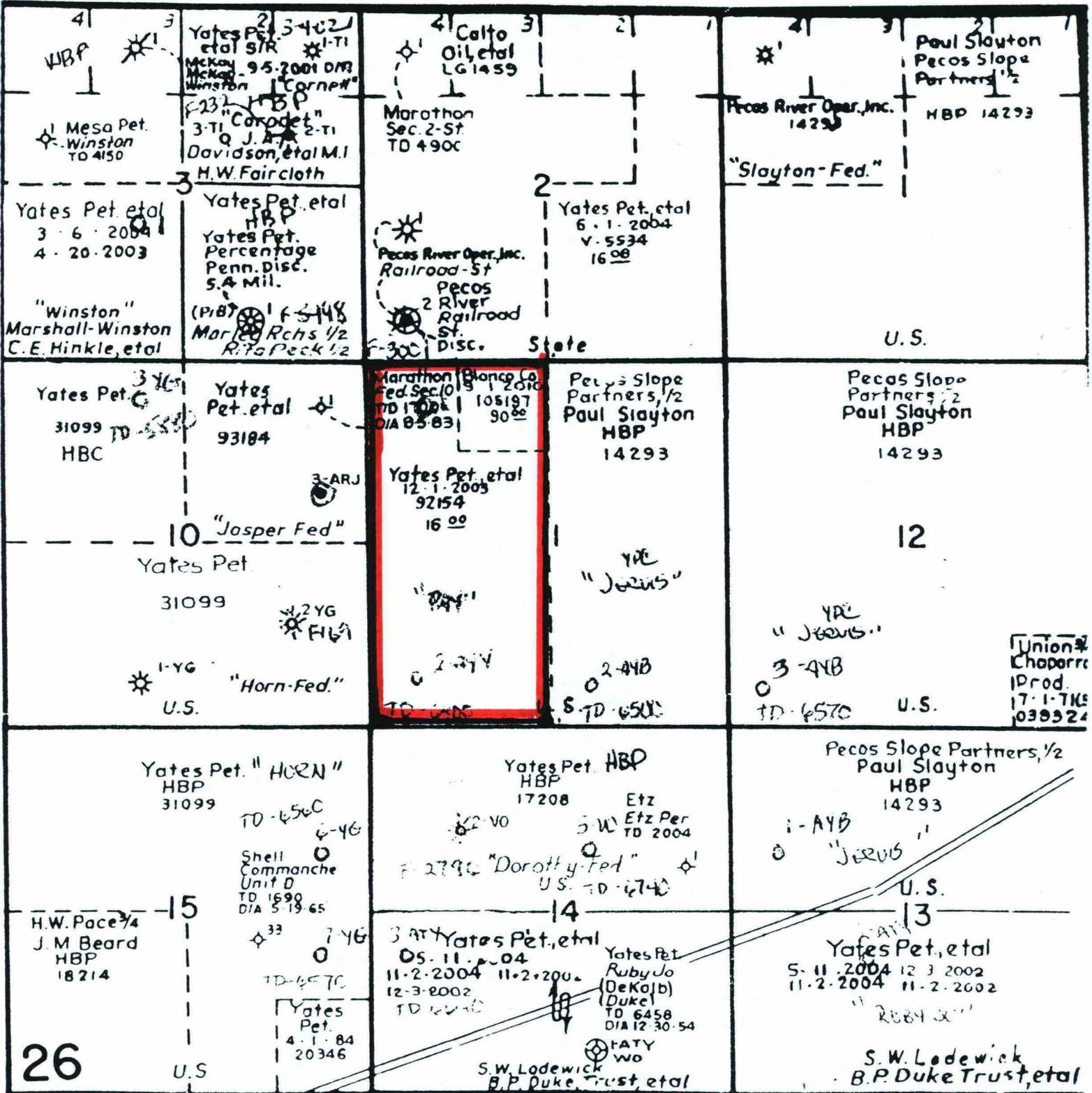
**YATES PETROLEUM CORPORATION**



Chuck Moran  
Landman

Enclosures

**Exhibit 1**  
 Yates Petroleum Corporation  
 Pay AYY Federal Com. #1  
 660' FNL & 330' FWL  
 Section 11-T8s-R26E  
 Chaves County, New Mexico



DISTRICT I  
1625 N. French-Dr., Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

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

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

**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 PAY "AYY" FEDERAL COM.	Well Number 1
OGRID No.	Operator Name YATES PETROLEUM CORPORATION	Elevation 3821

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	8S	26E		660	NORTH	330	WEST	CHAVES

**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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

**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><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
				<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>12/11/2001</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p><b>HERSCHEL JONES</b> NEW MEXICO 3640</p> <p>Certificate No. Herschel Jones RLS 3640 PAY 1 GENERAL SURVEYING COMPANY</p>	
<p><b>Exhibit 2</b></p> <p>Yates Petroleum Corporation's Pay AYY Federal Com. #1 660' FNL &amp; 330' W/2 of Section 11-T8S-R26E, NMPM Chaves County, New Mexico</p>					

WATER VIEWED #1

Coronet  
T1  
7EE  
1

Coronet T1 #3

Railroad

Mountain

Draw

Sixmile

Draw

TAZ

road

BM 3785

3850

3720

3805

Horn VG  
Fed. Com #3

March 10

Ray AVY  
Fed. Com #1

3838

10

11

3720

Horn VG  
Fed. Com #1

Horn VG  
Fed. #2

Ray AVY  
Fed. #2

3850

3948

3900

3720

3824

15

14

3720

Horn VG  
Fed. Com #6

Horn VG  
Fed. #7

Dorothy VD  
Fed. #2

Dorothy VD  
Fed. #3

Jacobs Ave  
Fed. #1

3900

3925

3900

3950

3926

3720

16

BM 3842

Exhibit 3

Yates Petroleum Corporation's  
Ray AVY Federal Com. #1

660-11-1-330

W 1/2 of Section 11-T8S-R00E, NMPM  
Chavez County, New Mexico

3838

3830

3840

3950

HIGH LONESOME 0.6 MI.  
ELKINS 1.2 MI.

950 OC

FEET

3719

22

23

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



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

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SECRETARY  
DENNIS G. KINSEY  
TREASURER

Pay "AYY" Federal Com #1  
660 FNL & 330 FWL  
11-8S-26E

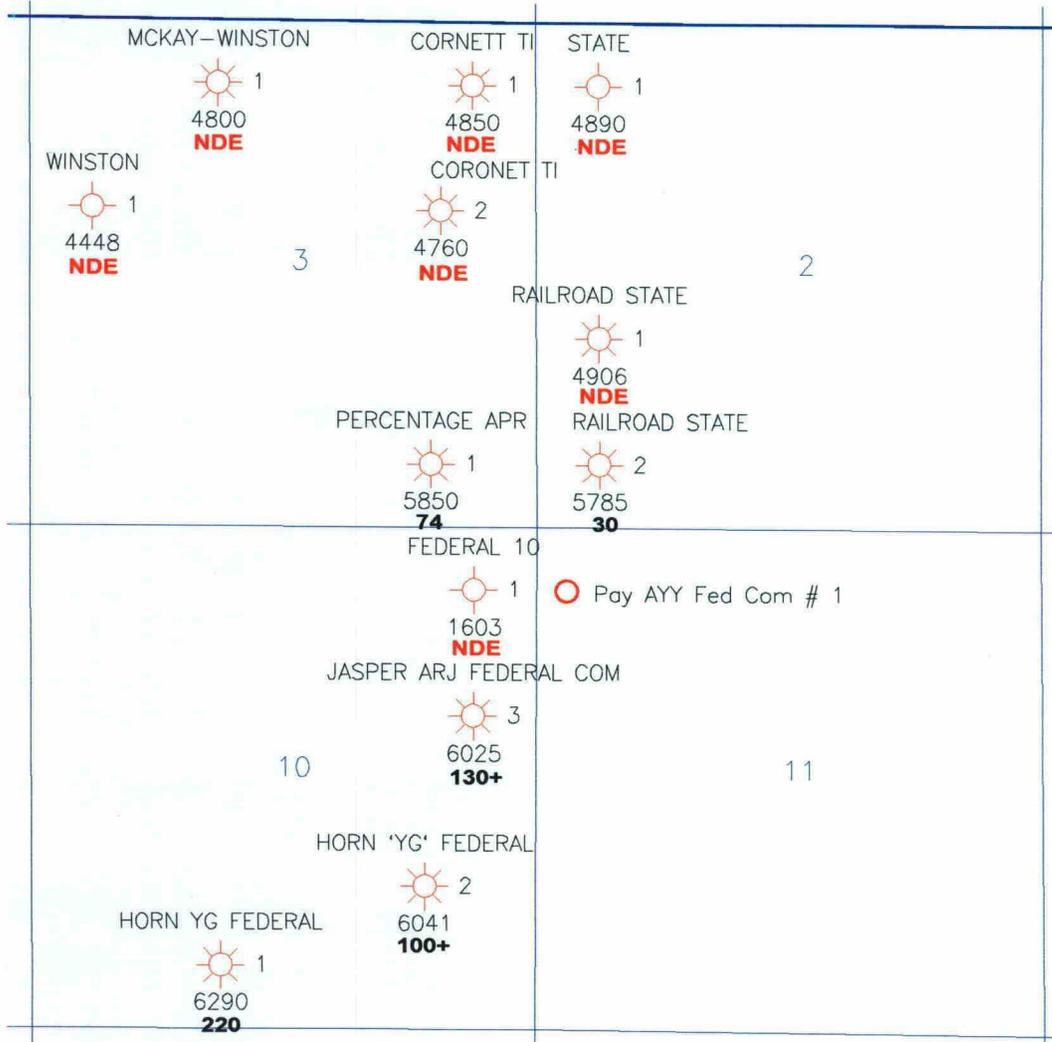
The Pay "AYY" Federal Com #1 needs to be at an unorthodox location for two reasons. The first reason is that the topography influences the location. Any location to the east of our proposed well would be in a drainage ravine. The second more important reason is that the Silurian-Devonian dolomite thins toward the east. Looking at the gross thickness of the Silurian-Devonian Plat, the deep wells that have penetrations into the dolomite to the northwest and southwest have thicker sections of dolomite. These wells are: the Horn #1 at 220', the Horn #2 at 100+', the Jasper #3 at 130+', and the Percentage #1 at 74'. The Railroad State #2 which is north-northeast of our Pay #1 location has already thinned to 30' in the dolomite from the Percentage well which is 74' to the west. The Railroad State #2 further emphasizes that moving a location farther east of our proposed location increases the risks of encountering zero dolomite.

Yates Petroleum Corporation feels that any location to the east of our Pay #1 location would jeopardize our chances of encountering a thicker dolomite reservoir and would inadequately prevent us from stopping the Railroad State #2 from draining our lease of reserves in the Silurian-Devonian dolomite.

H. Tim Miller  
Geologist

**Exhibit 4-1**  
**Yates Petroleum Corporation's**  
**Pay AYY Federal Com. #1**  
**660' FNL & 330' FWL**  
**W/2 of Section 11-T8S-R26E, NMPM**  
**Chaves County, New Mexico**

# 8 S 26 E



Yates Petroleum Corporation		
Gross Thickness Siluro-Devonian Pay AYY Fed Com #1 8 S 26 E		
Geo: T Miller		12/26/01
	Scale 1:24000.	LPTMunor.GPF

○ Unorthodox Location  
**NDE** Not Deep Enough

**Exhibit 4-2**  
**Yates Petroleum Corporation's**  
**Pay AYY Federal Com. #1**  
**660' FNL & 330' FWL**  
**W/2 of Section 11-T8S-R26E, NMPM**  
**Chaves County, New Mexico**

**Exhibit 5**  
 Yates Petroleum Corporation's  
 Pay AYY Federal Com. #1  
 660' FNL 330' FWL  
 Section 11-T8S-R26E, NMPM  
 Chaves County, New Mexico

<b>Township 8 South, Range 26 East, N.M.P.M.</b>		
<b>Section 10: All</b>		
<b>Chaves County, New Mexico</b>		
<b>Lease</b>	<b>Legal</b>	<b>WI Owners</b>
NM-31099	Section 10: W/2, SE	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
NM-93184	Section 10: NE	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation Sharbro Oil Ltd. Co. Lillie M. Yates Estate 105 South Fourth Street Artesia, New Mexico 88210
<b>Well Name</b>	<b>Unit</b>	<b>Operator</b>
Horn YG Federal #1	N	Yates Petroleum Corporation
Horn YG Federal #2	I	Yates Petroleum Corporation
Jasper ARJ Fed Com. #3	H	Yates Petroleum Corporation

**Exhibit 5**  
 Yates Petroleum Corporation's  
 Pay AYY Federal Com. #1  
 660' FNL 330' FWL  
 Section 11-T8S-R26E, NMPM  
 Chaves County, New Mexico

<b>Township 8 South, Range 26 East, N.M.P.M.</b>		
<b>Section 3: E/2</b>		
<b>Chaves County, New Mexico</b>		
<b>Lease</b>	<b>Legal</b>	<b>WI Owners</b>
Various Fee Leases	E/2	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Unleased Mineral Owners:	NE/4	Ms. Roxy Burkfield C/O Robert C. Armijo, Esq. Civerolo, Gralow & Hill PA P.O. Box 877 Albuquerque, New Mexico 87103-0887
	NE/4	Mr. Bryan Solsbery Mr. Dean Solsbery, Jr. C/O Lynn Slade, Esq. Modrall, Sperling, Roehl, Harris & Sisk P.A. P. O. Box 2168 Albuquerque, New Mexico 87103-2168
<b>Well Name</b>	<b>Unit</b>	<b>Operator</b>
Percentage APR #1	O	Yates Petroleum Corporation
Coronet T1 #1	A	Yates Petroleum Corporation
Coronet T1 #2	H	Yates Petroleum Corporation

**Exhibit 5**  
 Yates Petroleum Corporation's  
 Pay AYY Federal Com. #1  
 660' FNL 330' FWL  
 Section 11-T8S-R26E, NMPM  
 Chaves County, New Mexico

<b>Township 8 South, Range 26 East, N.M.P.M.</b> <b>Section 2: W/2</b> <b>Chaves County, New Mexico</b>		
<b>Lease</b>	<b>Legal</b>	<b>Operator</b>
LG-1459	Lots 3, 4, S/2NW, SW	Pecos River Operating Inc. 550 W. Texas Avenue, Suite 720 Midland, Texas 79701
<b>Well Name</b>	<b>Unit</b>	<b>Operator</b>
Railroad State #1	L	Pecos River Operating Inc.
Railroad State #2	M	Pecos River Operating Inc.

## Affidavit of Mailing

On this date, I certify that a complete copy of the administrative application for unorthodox location for Yates Petroleum Corporation's Pay AYY Fed. Com. #1, located 660' FNL & 330' FWL in Sec. 11: W/2, Township 8 South - Range 26 East, NMPM Chaves County, New Mexico, was mailed by certified/return receipt to the affected persons identified in the Application and said notice contained a notification that the recipient has twenty days from the date the division receives the application to file an objection to the application.



\_\_\_\_\_  
Chuck Moran  
Landman

Date: 12/27/01

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



105 SOUTH FOURTH STREET  
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RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

December 27, 2001

Ms. Roxy Burkfield  
C/o Robert C. Armijo, Esq.  
Civerolo, Gralow & Hill, PA  
P.O. Box 877  
Albuquerque, NM 87103-0887

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Dear Ms. Burkfield:

Enclosed please find a complete copy of Yates Petroleum Corporation's Application for Unorthodox Location to drill the captioned well. Pursuant to 19 NMAC 15.c.104f(4) you have twenty (20) days from the date the New Mexico Oil Conservation Division receives the application within which to protest this application. If you have any questions or concerns please feel free to contact me at (505) 748-4349.

Very truly yours,

**YATES PETROLEUM CORPORATION**

A handwritten signature in cursive script that reads 'Chuck Moran'.

Chuck Moran  
Landman

CEM:hp  
Enclosures

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Ms. Roxy Burkfield  
 C/o Robert C. Armijo,  
 Esq. Civerolo, Gralow & Hill, PA  
 P.O. Box 877  
 Albuquerque, NM 87103-0887

2. Article Number

7001 0320 0001 3353 1920  
 PS Form 3811, March 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature  
 X  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

*Pay A44 Fed #1*

Domestic Return Receipt

102595-01-M-1424

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

**CERTIFIED MAIL**



7001 0320 0001 3353 1920  
 7001 0320 0001 3353 1920

**U.S. Postal Service  
 CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$</b>

Postmark  
 Here

Sent To **Ms. Roxy Burkfield**  
**C/o Robert C. Armijo, Esq.**  
 Street, Apt. No., or PO Box No. **Civerolo, Gralow & Hill, PA**  
 City, State, ZIP **P.O. Box 877**  
**Albuquerque, NM 87103-0887**

PS Form 3800, January 2001

See Reverse for Instructions

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



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

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SECRETARY  
DENNIS G. KINSEY  
TREASURER

December 27, 2001

Mr. Bryan Solsbery  
Mr. Dean Solsbery, Jr.  
C/o Lynn Slade, Esq.  
Modrall, Sperling, Roehl, Harris & Sisk, PA  
Bank of America Centre, Suite 1000  
Albuquerque, NM 87103-2165

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Gentlemen:

Enclosed please find a complete copy of Yates Petroleum Corporation's Application for Unorthodox Location to drill the captioned well. Pursuant to 19 NMAC 15.c.104f(4) you have twenty (20) days from the date the New Mexico Oil Conservation Division receives the application within which to protest this application. If you have any questions or concerns please feel free to contact me at (505) 748-4349.

Very truly yours,

**YATES PETROLEUM CORPORATION**

Chuck Moran  
Landman

CEM:hp  
Enclosures

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1. Article Addressed to:

Mr. Bryan Solsbery  
 Mr. Dean Solsbery, Jr.  
 C/o Lynn Slade, Esq.  
 Modrall, Sperling, Roehl, Harris & Sisk, PA  
 Bank of America Centre, Suite 1000  
 Albuquerque, NM 87103-2165

2. Article Number

7001 0320 0001 3353 1937

PS Form 3811, March 2001

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Agent  
 Addressee

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

*Pay A44 Fed com#1*

102595-01-M-1424

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

**CERTIFIED MAIL**



7001 0320 0001 3353 1937  
 7001 0320 0001 3353 1937

**U.S. Postal Service  
 CERTIFIED MAIL RECEIPT  
 (Domestic Mail Only; No Insurance Coverage Provided)**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Mr. Bryan Solsbery  
 Mr. Dean Solsbery, Jr.  
 C/o Lynn Slade, Esq.  
 Street, Apt. No., or PO Box No.: Modrall, Sperling, Roehl, Harris & Sisk, PA  
 City, State, ZIP+4: Bank of America Centre, Suite 1000  
 Albuquerque, NM 87103-2165

MARTIN YATES, III  
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1936 - 1986



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RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

December 27, 2001

Pecos River Operating, Inc.  
550 W. Texas Avenue, Suite 720  
Midland, Texas 79701

***VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED***

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Gentlemen:

Enclosed please find a complete copy of Yates Petroleum Corporation's Application for Unorthodox Location to drill the captioned well. Pursuant to 19 NMAC 15.c.104f(4) you have twenty (20) days from the date the New Mexico Oil Conservation Division receives the application within which to protest this application. If you have any questions or concerns please feel free to contact me at (505) 748-4349.

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Chuck Moran  
Landman

CEM:hp  
Enclosures

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1. Article Addressed to:

Pecos River Operating, Inc.  
550 W. Texas Ave., Suite 720  
Midland, TX 79701

2. Article Number

7001 0320 0001 3353 1944

PS Form 3811, March 2001

Domestic Return Receipt

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A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature  Agent  
**X**  Addressee

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3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

*Pay A44 Fed Com #1*

102595-01-M-1424

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**CERTIFIED MAIL**



7001 0320 0001 3353 1944  
7001 0320 0001 3353 1944

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Postage: \$

Certified Fee: \$

Return Receipt Fee (Endorsement Required): \$

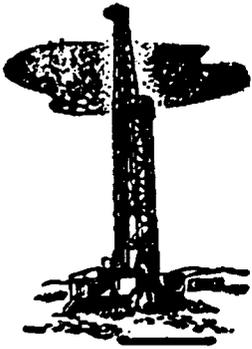
Restricted Delivery Fee (Endorsement Required): \$

Total Postage & Fees: \$

Delivered to:  
Pecos River Operating, Inc.  
550 W. Texas Ave., Suite 720  
Midland, TX 79701

PS Form 3800, January 2001

See Reverse for Instructions



# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES  
PRESIDENT

S. P. YATES  
VICE PRESIDENT

RANDY G. PATTERSON  
SECRETARY

DENNIS G. KINSEY  
TREASURER

December 26, 2001

Mr. Chuck Moran  
Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

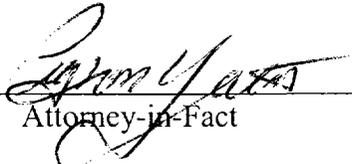
Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Dear Mr. Moran:

We have received Yates Petroleum Corporation's application for an unorthodox location for the proposed Pay AYY Federal Com #1 located 660' FNL and 330' FWL of Section 11, Township 8 South, Range 26 East, NMPM. Yates Drilling Company hereby waives objection to the proposed location.

Very truly yours,

**YATES DRILLING COMPANY**

By:   
Attorney-in-Fact



**ABO PETROLEUM CORPORATION**

*Oil Producers*

ARTESIA, NEW MEXICO 88210

105 SOUTH 4TH STREET  
PHONE (505) 748-1471

December 26, 2001

Mr. Chuck Moran  
Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Dear Mr. Moran:

We have received Yates Petroleum Corporation's application for an unorthodox location for the proposed Pay AYY Federal Com #1 located 660' FNL and 330' FWL of Section 11, Township 8 South, Range 26 East, NMPM. Abo Petroleum Corporation hereby waives objection to the proposed location.

Very truly yours,

**ABO PETROLEUM CORPORATION**

By: John A. Yates  
Attorney-in-Fact



MYCO INDUSTRIES, INC.  
OIL PRODUCERS  
POST OFFICE BOX 840  
ARTESIA, NEW MEXICO 88211-0840  
Phone (505) 748-1471

December 26, 2001

Mr. Chuck Moran  
Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Dear Mr. Moran:

We have received Yates Petroleum Corporation's application for an unorthodox location for the proposed Pay AYY Federal Com #1 located 660' FNL and 330' FWL of Section 11, Township 8 South, Range 26 East, NMPM. Myco Industries, Inc. hereby waives objection to the proposed location.

Very truly yours,

MYCO INDUSTRIES, INC.

By: Sharon Snowden  
Corporate Secretary

# **SHARBRO OIL LTD. CO.**

331 West Main, Suite C • P.O. Box 840  
Artesia, New Mexico 88211-0840  
(505) 748-1471

December 26, 2001

Mr. Chuck Moran  
Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Re: Pay AYY Federal Com #1  
Township 8 South, Range 26 East, NMPM  
Section 11: W/2  
660' FNL & 330' FWL  
Chaves County, New Mexico

Dear Mr. Moran:

We have received Yates Petroleum Corporation's application for an unorthodox location for the proposed Pay AYY Federal Com #1 located 660' FNL and 330' FWL of Section 11, Township 8 South, Range 26 East, NMPM. Sharbro Oil Ltd. Co. hereby waives objection to the proposed location.

Very truly yours,

**SHARBRO OIL LTD. CO.**

By:   
Manager