



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.

October 25, 1984

Mr. Joe Ramey, Secretary Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

BEFORE EXAMINER STOGNER

Oil Conservation Division

~~YATES~~ Exhibit No. 4

Case No. 8503

Re: Kochia "AAM" State #1  
990' FSL and 2310' FEL  
Section 35-T15S-R36E  
Lea County, New Mexico

Dear Mr. Ramey:

Yates Petroleum Corporation would appreciate an administrative approval for a proposed unorthodox Devonian oil well location as provided for under NMOCD Rule 104F. This well is presently being drilled to a depth of 11,700' into the Strawn formation. TD in the Devonian will be approximately 13,750'. Verbal approval was given Yates to continue drilling to the Devonian by Mr. Mike Stogner of NMOCD 10/23/84.


We would like this unorthodox location approved for geologic reasons. Information will be sent to you under a different cover immediately.

Enclosed is a copy of the lease map showing the offset operators. The offsetting operators (Atlantic Richfield) have been notified of our intentions by certified mail, via a xerox copy of this letter.

Thank you for your help in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

  
Cy Cowan  
Regulatory Agent

CC/ps  
Enclosure

xc: Atlantic Richfield, Mobil Oil Co.

LOYINGTON

NEW MEXICO OIL CONSERVATION COMMISSION  
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
 Supersedes C-121  
 Effective 1-1-65

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

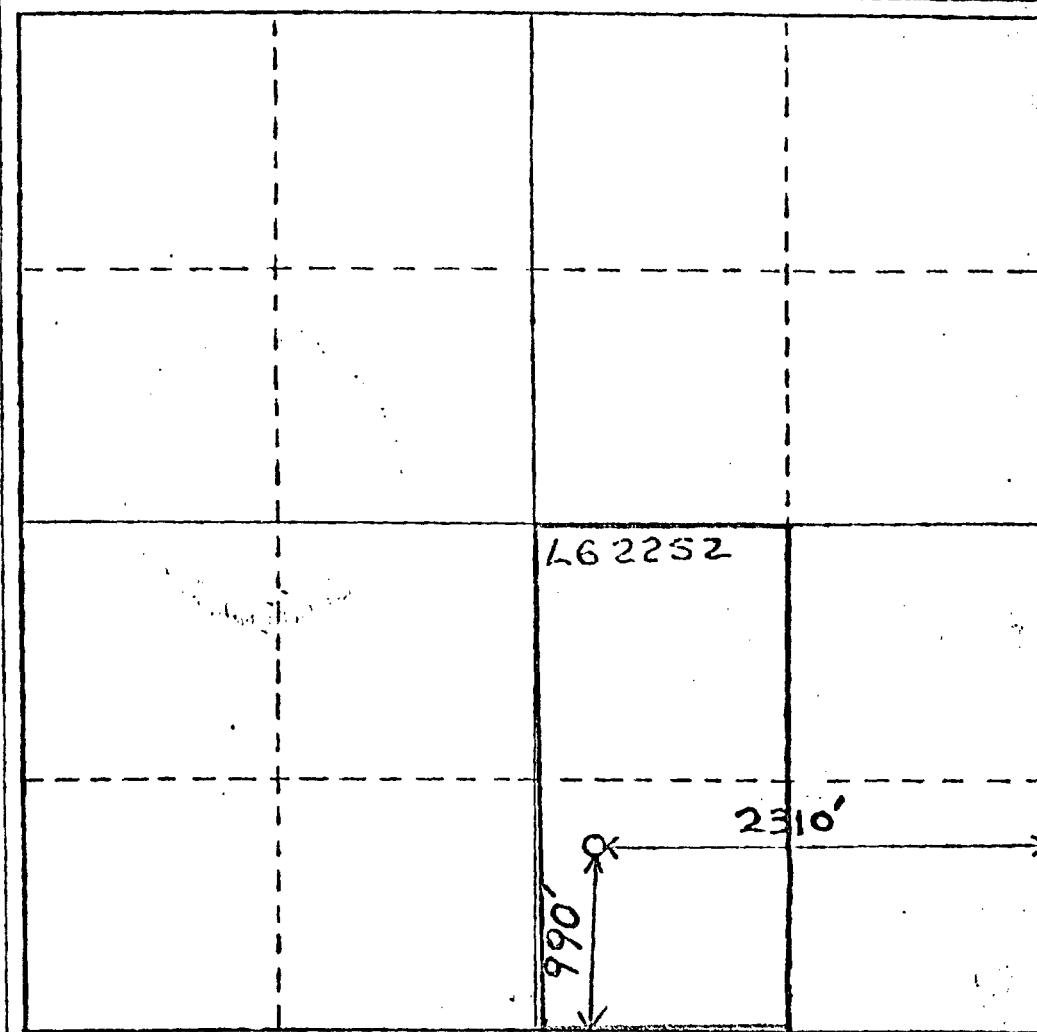
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Kochia "AAM" State</b>		Well No. <b>1</b>
Unit Letter <b>0</b>	Section <b>35</b>	Township <b>15 South</b>	Range <b>36 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>990'</b> feet from the <b>South</b> line and <b>2310'</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3855.1 GL</b>	Producing Formation <b>Bough "C"</b>		Pool <b>Dean Permo Penn</b>		Dedicated Acreage: <b>80</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

*Cy Cowan*

Name

Cy Cowan

Position

Regulatory Agent

Company

YATES PETROLEUM CORPORATION

Date

September 10, 1984

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 and belief.

9-3-84  
 Date

Registered Professional Engineer  
 and Land Surveyor

*L. JONES*  
 3640

Certified

SENDER: Complete items 1, 2, 3 and 4.  
your address in the "RETURN TO" space of the  
card. Failure to do this will prevent this card from  
being returned to you. The return receipt fee will provide  
the name of the person delivered to and the date of  
delivery. For additional fees the following services are  
available: consult postmaster for fees and check box(es)  
desired.

1. The following service is requested (check one).  
☒ Show to whom and date delivered  
☐ Show to whom, date, and address of delivery..  
2. ☐ RESTRICTED DELIVERY.....  
(The restricted delivery fee is charged in addition  
to the return receipt fee.)

3. ARTICLE ADDRESSED TO:  
Atlantic Richfield Co.  
P.O. Box 1610 Attn: Allen  
Midland, TX 79702 Harvey

4. TYPE OF SERVICE:  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD  
☐ EXPRESS MAIL  
ARTICLE NUMBER  
P 553 354 812

I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent  
DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if requested)  
7. UNABLE TO DELIVER BECAUSE  
7a. EMPLOYEE'S INITIALS

PS Form 3800, Feb. 1982  
\* U.S.G.P.O. 1983-403-517

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to  
Atlantic Richfield Co.  
P.O. Box 1610 Attn: Allen  
Midland, TX 79702 Harvey

Postage  
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

PS Form 3800, Feb. 1982  
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SEC. TREAS.

October 31, 1984

Mr. Richard L. Stamets, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

RE: Kochia "AAM" State #1  
990' FSL & 2310' FEL  
Section 35-15S-36E  
Lea County, New Mexico

Dear Mr. Stamets:

Enclosed is the geological information on the deepening of the above referenced well as promised in the letter to you of October 25, 1984, by our Cy Cowan (copy enclosed). This well is presently being deepened to approximately 13750' into the Devonian formation.

Thank you for your cooperation.

Sincerely,

Norbert T. Rempe  
Geologist

NTR:rj

Enclosures

cc: Supervisor of the Hobbs office of New Mexico Oil  
Conservation Division

BEFORE EXAMINER STOGNER

Oil Conservation Division

YATES Exhibit No. 5

Case No. 8503

GEOLOGICAL INFORMATION PERTAINING TO THE APPLICATION  
FOR ADMINISTRATIVE APPROVAL OF THE PROPOSED  
UNORTHODOX LOCATION OF  
YATES PETROLEUM CORPORATION'S

KOCHIA "AAM" STATE #1

Yates Petroleum Corporation requests approval for deepening its No. 1 Kochia "AAM" State to the Devonian at an unorthodox oil well location. This well has been drilled 990 feet from the South line and 2310 feet from the East line of Section 35, Township 15 South and Range 36 East, to the Strawn formation. The West half of the southeast quarter of Section 35 is dedicated to the well. The southwest quarter of the southeast quarter of Section 35 would be dedicated to a Devonian well.

Exhibit No. 1 is a land plat showing the well location and its relationship to the surrounding acreage. Yellow denotes acreage in which Yates has full or partial interest in operating rights.

Exhibit No. 2 is a combined structure map, with dotted contours indicating Strawn elevation and solid contours denoting Devonian structure.

Within the subject proration unit, outlined in red, Strawn as well as Devonian structure reaches its peak toward the West. Strawn structure seems superimposed on older Devonian structure. It is therefore assumed that, where the Strawn is found in a structurally advantageous position, the Devonian structure will be equally, if not even more, favorable.

Yates's No. 1 Kochia "AAM" State intersected the Strawn formation at -7573 feet. This makes the Kochia, together with V-F Petroleum's No. 1 Arco State, the highest Strawn test in the field. The No. 1 Arco State was continued to, and completed, in the Devonian on February 17, 1981, at IPP 138 BOPD plus 32 BW.

In the proposed deepening, it is anticipated that the borehole will encounter the Devonian porosity interval sufficiently structurally high to contain economic volumes of recoverable oil.

Exhibit No. 3 is a West to East cross-section through the well to be deepened, showing the structurally high position of both, Strawn and Devonian formations. Yates intends to drill deep enough to penetrate the Devonian porosity zone and to fully evaluate the remaining potential of the subject proration unit.

## STATEMENT OF QUALIFICATION

The undersigned earned his B. S. degree in geology from the University of Muenster, Germany, in 1970, and his M. S. degree in geology from the Technical University, Berlin, Germany, in 1974. He did post graduate work at the South Dakota School of Mines and Technology in Rapid City, South Dakota, and passed the comprehensive exam in preparation for a PhD.

After 4 years of professional work in coal exploration and mining, he worked for 3 years as a mine geologist for International Minerals and Chemical Corporation's Carlsbad potash operation.

For over two years now he has worked as a petroleum geologist for Yates Petroleum Corporation in Artesia. His chief area of interest has been Lea County, where he has been responsible for wells drilled to various formations; mainly the Pennsylvanian.

He is a member of many professional associations, among them AAPG, GSA, NMGS and RGS.

  
Norbert T. Rempe

rj