

VANDIVER & BOWMAN, P.C.

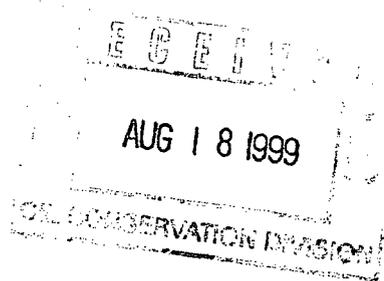
Attorneys at Law

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Artesia, New Mexico 88210-2075
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DAVID R. VANDIVER
JEFFREY L. BOWMAN

FAX
(505) 746-4208

August 16, 1999



Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative Application filed with the Division on behalf of Yates Drilling Company on August 5, 1999, for an unorthodox gas well location within N2 Section 16, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for its proposed Mule Train "16" State Com. Well No. 1 to be drilled 1500 feet from the north line and 1650 feet from the east line (Unit G) of Section 16

Dear Mr. Stogner:

As requested in your letter of August 9, I am enclosing a copy of a Sundry Notice dated July 29, 1999, and an attached Well Location and Acreage Dedication Plat by which Yates Drilling Company changed the name of the Spurck 16 State Com. No. 2 Well to the Mule Train 16 State Com. No. 1 Well, and moved the location from 660 feet from the north line and 1,980 feet from the west line of Section 16 to a new location 1,500 feet from the north line and 1,650 feet from the east line of Section 16. The notice and plat have been filed with the Artesia Office of the Oil Conservation Division.

Yates Drilling Company informed me that the well has never been referred to as the Mule Train 16 State Com. No. 2 Well, and I don't know the source of the entry for such a well in the ONGARD files.

Please let me know if you need any further information in order to issue the requested order approving the unorthodox location for the Mule Train 16 State Com. No. 1 Well.

Thank you for responding so quickly to the application filed in this case.

Very truly yours,

VANDIVER & BOWMAN

David R. Vandiver

DRV:pvw
Enclosures

cc: Mr. Doug Hurlbut

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.	30-015-30562
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	2029

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)



7. Lease Name or Unit Agreement Name	Spurth 16 State Com.
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1. Type of Well:	Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>
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8. Well No.	2
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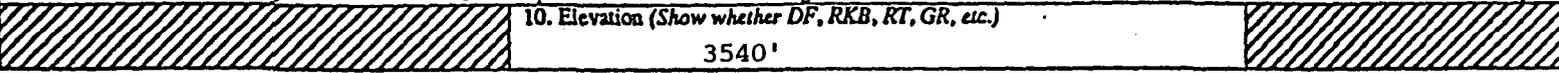
2. Name of Operator	YATES DRILLING COMPANY
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9. Pool name or Wildcat	Red Lake Morrow Northeast
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3. Address of Operator	105 South Fourth Street, Artesia, New Mexico 88210
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4. Well Location	Unit Letter <u>C</u> : <u>660'</u> Feet From The <u>North</u> Line and <u>1980'</u> Feet From The <u>West</u> Line
	Section <u>16</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3540'
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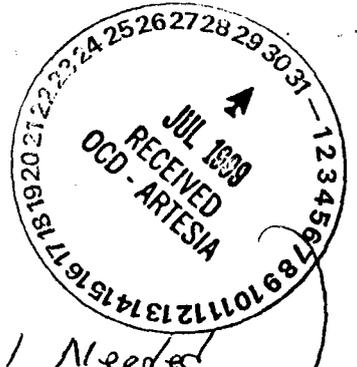
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Yates Drilling Company wishes to change the well name, location, plat and elevation
FROM: Spurth 16 State Com. #2
660' FNL and 1980' FWL
Elevation: 3559'

TO: Mule Train 16 State Com. #1
1500' FNL and 1650' FEL
Elevation: 3540'

PLAT: New plat attached.



Administrative Approval Needed

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Ken Beardempfl* TITLE Landman DATE July 29, 1999

TYPE OR PRINT NAME Ken Beardempfl (505) 748-1471 TELEPHONE NO. 8-6-99

(This space for State Use)
SUPERVISOR, DISTRICT II

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30562	Pool Code	Pool Name Red Lake Morrow Northeast
Property Code 24127	Property Name MULE TRAIN "16" STATE COM.	Well Number 1
OGED No. 025513	Operator Name YATES DRILLING COMPANY	Elevation 3540

Surface Location

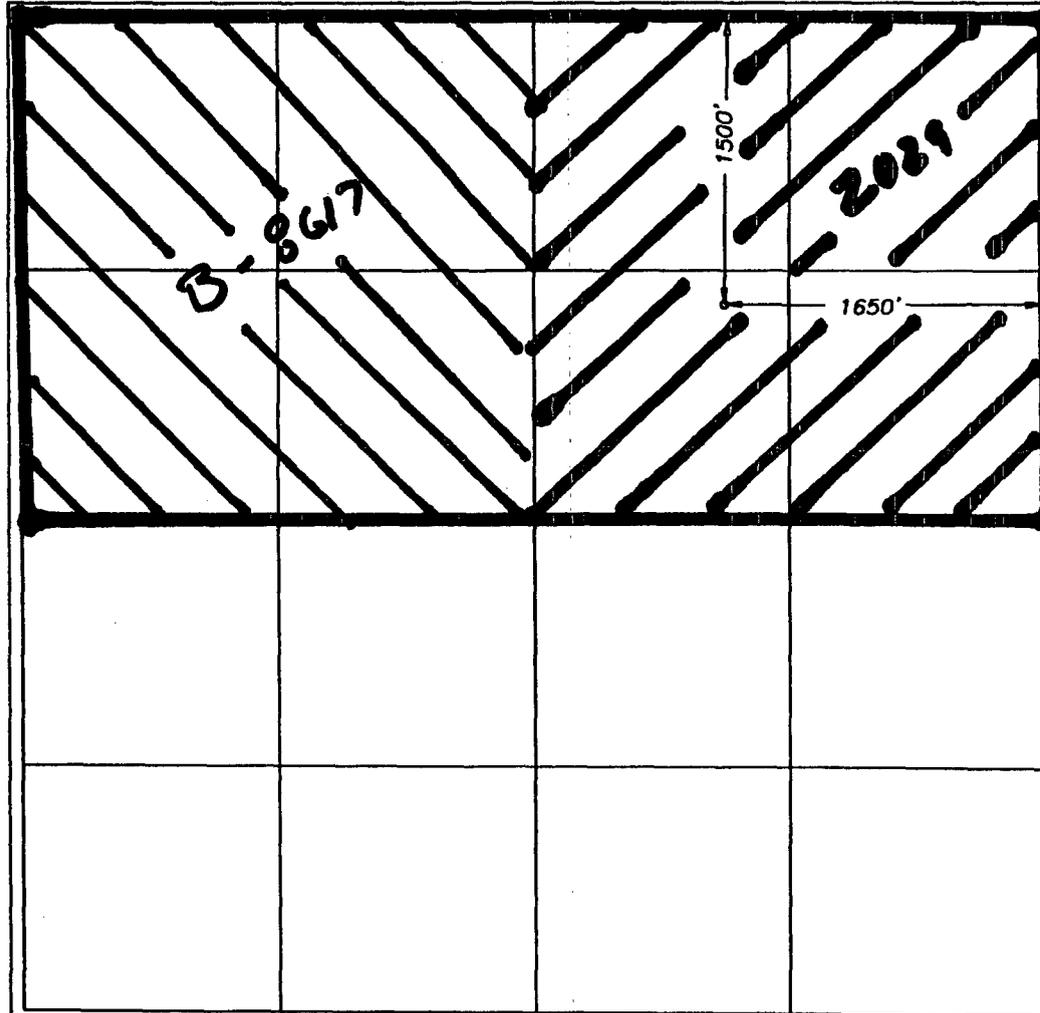
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	16	17S	28E		1500	NORTH	1650	EAST	EDDY

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 320	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ken Beardemphl
Printed Name
Ken Beardemphl
Title
Landman
Date
July 29, 1999

SURVEYOR CERTIFICATION

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.

Date Surveyed
07/28/1999
Signature
Herschel L. Jones
Professional Surveyor
Certificate No. Herschel L. Jones RLS 3640
MULE TRAIN DISK 14
GENERAL SURVEYING COMPANY