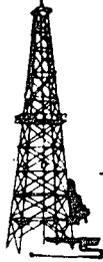


HEYCO

PETROLEUM PRODUCERS



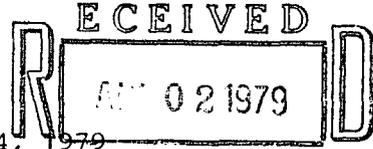
HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201



March 24, 1979

OIL CONSERVATION DIVISION
SANTA FE

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

Attention: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Sec. 8,
T-14S R-36E, N.M.P.M.
Lea County, New Mexico

Dear Mr. Stamets:

Please be advised that Harvey E. Yates Company hereby makes application for administrative approval of an unorthodox location, pursuant to rule 104-F, to permit drilling of the Austin-Monteith #1 well located 1980' FWL, and 1650' FSL of Section 8, Township 14 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unorthodox location of the well is necessary due to the installation of a rotary irrigation systems by the surface owner which could not operate if the well is drilled further north than 1650 feet from the South line of Section 8. It is proposed that the W/2 of Section 8 will be dedicated to the well which will be drilled as a gas well to the Mississippian Formation.

Attached hereto as Exhibit A is a location plat and summary showing the ownership of all leases offsetting the proposed well. We are sending all offset lease owners copies of this letter by certified mail and request that if they have no objection to the proposed unorthodox location, that they advise you directly and forward a copy of such letter to this office.

Sincerely,

Robert H. Strand
Attorney

RHS/lh

Attachments

Mar. 26, 1979
Mr. Stamets:
Yes, I approve
Palmer Weber
P.O. Box 33
Joy Va'
22945

EXHIBIT A

OFFSET OWNERS W/2 Section 8, Township 14 South, Range 36 East, N.M.P.M

Township 14 South, Range 36 East, N.M.P.M.

Section 5: NE/4 N/2 SE/4	Samedan Oil Corporation Myrtle Dove Richardson J. C. Sartin, Jr. Claudia Jordan
S/2 SE/4, W/2	Enserch Exploration Corporation
Section 6: E/2	Enserch Exploration Corporation
Section 7: N/2 NE/4 S/2 NE/4	Amoco Production Company Maralo, Inc. M. Ralph Lowe, Inc. Erma Lowe Yates Petroleum Corporation
SE/4	
Section 8: W/2 W/2, SE/4 SW/4 E/2 NW/4, W/2 NE/4, NE/4 SW/4, NW/4 SE/4, S/2 SE/4 E/2 NE/4, NE/4 SE/4	Amoco Production Company Harvey E. Yates Company Coronado Exploration Corporation Cal-Mon Oil Company Jan Oil Company George A. Thomas William Tack Thomas Joe R. Henderson James S. Dubose John H. Hendrix Jack Markham J. M. Welborn Ernest Angelo, Jr. Don L. Spards McCrea Trust #1 Estorll Producing Corp. Jack O. McCall Marshall and Winston, Inc. A. T. Carlton Robert L. Monaghan
Section 17: NW/4 SW/4	Southern Union Supply Company Phillips Petroleum Company Atlantic Richfield Corporation Mobil Oil Corporation Marathon Oil Company Champlin Petroleum Company Getty Oil Company M. McDonnold, Jr. P D I, Inc. Oklahoma Service Corporation Blackwood and Nichols Company Sun Oil Company
E/2	Adobe Oil and Gas Corporation Adobe Exploration 1977, LTD Adobe Executive Partnership 1977 Adobe-Gabbert LTD Adobe-Empire/Equitec Partnership 1977 Adobe-Retina '77, LTD Yates Petroleum Corporation Yates Drilling Company MYCO Industries, Inc.

John A. Yates
Harvey E. Yates Company
Coronado Exploration Corp.
Jack Markham
Fannye Gaye Markham Ratcliff
J. M. Welborn
John Markham
Sallie Mae Markham White
Julie Ruth Markham Proctor
Billie Joe Markham
Lawrence C. Harris
Great Western Drilling Company
Davoil Oil, Inc.
F. Palmer Weber
Roy G. Barton, Jr.

Section 18: NE/4

SE/4

National Cooperative Refinery Assn.

Harvey E. Yates Company
Coronado Exploration Corp.

R 36E

T 14S

	Enserch Exploration Corporation 6	Enserch Exploration Corporation	Samedan Oil Corporation 5 Myrtle Dove Richardson et al
	Amoco Production Company Maralo, Inc. et al Yates Petroleum Corporation	Amoco Product Company Harvey E Yates Company et al 8 9	Harvey Cal-Moh E Yates Oil Co Company et al et al
	National Coop- erative Refin- ery Assn. 8	Southern Union Supply Company Phillips Petroleum Company et al	Adobe Oil & Gas Corp. et al 7

⊙ Location - Austin Monteith #1
1650' FSL and 1980' FWL Section 8

—— Proposed Proration Unit

Samedan Oil Corporation
2207 Wilco Building
Midland, Texas 79701

Myrtle Dove Richardson
P. O. Box 89
Tatum, New Mexico 88267

J. C. Sartin, Jr.
P. O. Box 1085
Seagraves, Texas 79359

Claudia Jordan
District Court Clerk
Gaines County Courthouse
Seminole, Texas 79360

Enserch Exploration Corporation
P. O. Box 4815
Midland, Texas 79701

Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Maralo, Inc.
2200 West Loop-South Suite 130
Houston, Texas 77027

M. Ralph Lowe, Inc.
2200 West Loop-South Suite 130
Houston, Texas 77027

Erma Lowe
2200 West Loop-South Suite 130
Houston, Texas 77027

Yates Petroleum Corporation
207 South 4th
Artesia, New Mexico 88210

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Coronado Exploration Corporation
1005 Marquette N.W.
Albuquerque, New Mexico 87105

Cal-Mon Oil Company
P. O. Box 2066
Midland, Texas 79702

Jan Oil Company
811 First National Bank Bldg.
Midland, Texas 79701

George A. Thomas
801 First National Bank Bldg.
Midland, Texas 79701

William Tack Thomas
801 First National Bank Bldg.
Midland, Texas 79701

Joe R. Henderson
P. O. Box 2477
Midland, Texas 79701

James S. Dubose
3416 Autumn Drive
Fort Worth, Texas 76109

John H. Hendrix
525 Midland Tower
Midland, Texas 79701

Jack Markham
Fannye Gaye Markham Ratcliff
John Markham
Sallie Mae Markham White
Julie Ruth Markham Proctor
Billie Joe Markham
1500 Broadway - Suite 1212
Lubbock, Texas 79401

J. M. Welborn
1500 Broadway - Suite 1212
Lubbock, Texas 797401

Ernest Angelo, Jr.
200 Gihls Tower West
Midland, Texas 79701

Don L. Spards
507 N. Marienfeld - Suite 208
Midland, Texas 79701

McCrea Trust No. 1
P. O. Box 1715
Midland, Texas 79702

Estorll Producing Corp.
Vaughn Building - Suite 1100
Midland, Texas 79701

Jack O. McCall
Suite 1210
MNB Tower
Midland, Texas 79701

Marshall & Winston, Inc.
P. O. Box 874
Midland, Texas 79702

A. T. Carlton
P. O. Box 293
Midland, Texas 79702

Robert L. Monaghan
P. O. Box 2066
Midland, Texas 79702

Southern Union Supply Company
First International Building
Dallas, Texas 75270

Phillips Petroleum Company
Phillips Building
Odessa, Texas 79701

Atlantic Richfield Corporation
P. O. Box 1610
Midland, Texas 79702

Mobil Oil Corporation
9 Greenway Plaza, Suite 2700
Houston, Texas 77046

Marathon Oil Corporation
P. O. Box 552
Midland, Texas 79702

Champlin Petroleum Company
300 Wilco Building
Midland, Texas 79701

Getty Oil Company
8th Floor Midland National Bank Tower
Midland, Texas 79701

M. McDonnold, Jr.
P. O. Box 409
Midland, Texas 79701

P D I, Inc.
510 Hightower Building
Oklahoma City, Oklahoma 73102

Oklahoma Service Corporation
5th Floor 100 Park Avenue Bldg.
Oklahoma City, Oklahoma 73102

Blackwood & Nichols Company
2013 First National Center
Oklahoma City, Oklahoma 73102

Sun Oil Company
P. O. Box 22638
Dallas, Texas 75284

Adobe Oil & Gas Corporation
Adobe Exploration '77, LTD
Adobe Executive Partnership 1977
Adobe-Gabbert LTD
Adobe-Emipire/Equitec Partnership 1977
Adobe-Retina '77 STD
1100 Western United Life Bldg.
Midland, Texas 79701

Yates Petroleum Corporation
Yates Drilling Company
MYCO Industries, Inc.
John A. Yates
207 South 4th
Artesia, New Mexico 88210

Lawrence C. Harris
P. O. Box 1714
Roswell, New Mexico 88201

Great Western Drilling Company
509 N. Loraine
Midland, Texas 79701

Davoil, Inc.
Suite 509, Ridglea Bank Building
P. O. Box 12507
Fort Worth, Texas 76116

F. Palmer Weber
P. O. Box 33
Ivy, Virginia 22945

Roy G. Barton, Jr.
P. O. Box 978
Hobbs, New Mexico 88240

National Cooperative Refinery Assn.
404 Linclon Tower
Denver, Colorado 80295

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

March 9, 1979

HAND DELIVERED

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

This letter will confirm our telephone conversation of this date concerning the plans of Harvey E. Yates Company to drill a gas well in the West half of Section 8, Township 14 South, Range 36 East, Lea County, New Mexico.

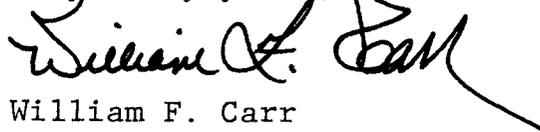
As I indicated to you, we represent Southern Union Exploration Company which owns the offsetting acreage immediately to the South of the acreage on which Yates proposes to drill. On behalf of Southern Union Exploration Company we formally protested any drilling at an unorthodox location by Harvey E. Yates Company in the West half of said Section 8.

It is our understanding that following our protest the Oil Conservation Division contacted its Hobbs District Office and confirmed that Harvey E. Yates Company had not obtained a permit to drill at any location in this section. It is also our understanding that the Commission contacted Mr. Robert Strand of Harvey E. Yates Company and was advised by Mr. Strand that (1) Yates had made no decision as to the exact location for the well they propose to drill in Section 8 and (2) they would notify offset operators prior to proceeding to drill at an unorthodox location.

If any of the representations in this letter do not concur with your understanding of the events of this morning, please advise me immediately by telephone.

Your assistance with this matter has been greatly appreciated.

Very truly yours,


William F. Carr

WFC:tn

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

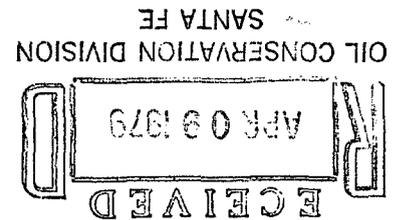


April 4, 1979

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

Attn: Mr. Richard Stamets

Re: Unorthodox Location Application
Harvey E. Yates Company
Austin - Monteith No. 1
w/2 Section 8
T-14-S, R-36-E
Lea County, New Mexico



Dear Mr. Stamets:

Please be advised that ARCO Oil and Gas Company
has no objection to the proposed unorthodox
location of the referenced well.

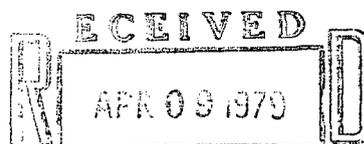
Sincerely,

J. L. Tweed

GR:ad



April 4, 1979



OIL CONSERVATION DIVISION
SANTA FE

PHONE 682-5241
ADDRESS REPLY TO:
BOX 1659
MIDLAND, TEXAS 79701

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

Attention Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Section 8
T-14-S, R-36-E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

Great Western Drilling Company has no objection to the unorthodox location of the captioned well, the location to be 1980'FWL and 1650'FSL of Section 8, T-14-S, R-36-E, N.M.P.M., Lea County, New Mexico.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

B. C. Mahanay
General Superintendent

/fl

cc: Harvey E. Yates Co.
P. O. Box 1933
Roswell NM 88201

Well File
Reading File

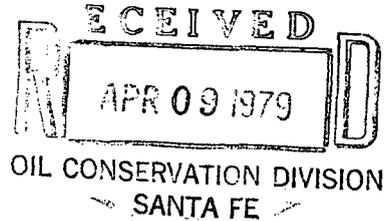


SUN PRODUCTION COMPANY

CAMPBELL CENTRE II, P.O. BOX 2880, DALLAS, TEXAS 75221

April 4, 1979

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



Attn: Mr. Richard Stamets

Re: Harvey E. Yates Company
Austin - Monteith No. 1
Lea County, New Mexico

Dear Sir:

Sun Oil Company has been advised of Harvey E. Yates Company's application for an unorthodox location for the referenced well located 1980' FWL and 1650' FSL of Section 8, Township 14 South, Range 36 East, N.M.P.M., Lea County, New Mexico. It is understood that the W/2 of Section 8 will be dedicated to the well which will be drilled as a gas well to the Mississippian formation.

Sun Oil Company has no objection to this application and hereby waives notice and hearing.

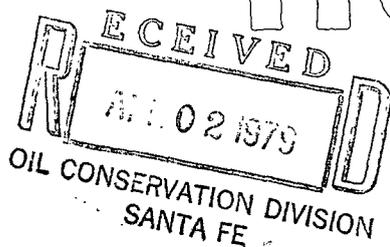
Yours very truly,

J.T. Power
Area Manager Conservation

JTP:aw

cc: Harvey E. Yates
P.O. Box 1933
Roswell, N.M. 88201

maralo inc.



March 30, 1979

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

Attention: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Section 8, T14S, R36E, NMPM
Lea County, New Mexico
Maralo Lease #3489

Dear Mr. Stamets:

Please be advised that Maralo, Inc., M. Ralph Lowe, Inc. and Erma Lowe have no objection to the proposed unorthodox location requested by Harvey E. Yates Company, regarding the referenced well.

Yours very truly,

A handwritten signature in cursive that reads "John R. Burke ph".

John R. Burke
Land Manager

JRB:ph

LAWRENCE C. HARRIS
P. O. BOX 1714 - (505) 622-2851
ROSWELL, NEW MEXICO 88201



March 30, 1979

Re: M-57
Austin-Monteith #1
W $\frac{1}{2}$ Sec 8, T14S, R36E, NMPM
Lea County, New Mexico

New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. Richard Stamets

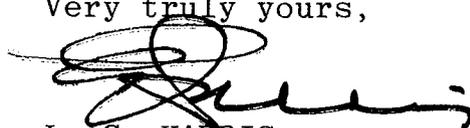
Gentlemen:

This is to advise that I own a Working Interest in the E $\frac{1}{2}$ of Section 11, T14S, R36E, Lea County, New Mexico.

Harvey E. Yates Company has made application for approval of an unorthodox location of a well in Section 8, T14S, R36E, NMPM, Lea County, New Mexico.

This is to advise that I have no objection to approval of the application for an unorthodox location made by Harvey E. Yates Company in the W $\frac{1}{2}$ of Section 8, T14S, R36E, NMPM, Lea County, New Mexico.

Very truly yours,



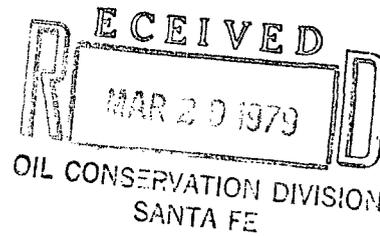
L. C. HARRIS

LCH/liz

cc: Harvey E. Yates Company



Southern Union Exploration Company
First International Building
Dallas, Texas 75270
(214) 748-8511



March 27, 1979

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

Attn: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Sec. 8,
T-14S R-36E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

In regard to Harvey E. Yates Company's request for administrative approval of an unorthodox location as set out in their letter to you of March 24, 1979, this is to advise that Southern Union Exploration Company has no objection to this unorthodox location.

Yours very truly,

Stephen P. Hanger,
Landman

SPH:hw

cc: Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Attn: Mr. Robert H. Strand

CORONADO EXPLORATION CORPORATION

1005 MARQUETTE N.W.
ALBUQUERQUE, NEW MEXICO 87102
TELEPHONE (505) 242-2050
(505) 843-6762



WHEN REPLYING
PLEASE REFER TO Austin Monteith #1
W/2 Sec. 8, T14S, R36E
Lea Co., N.M.

March 28, 1979

N.M. Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

ATTN: Mr. Richard Stamets

Dear Mr. Stamets,

As offset lease owners to the above captioned well, we hereby advise you that we have no objections to the proposed unorthodox location for said well.

Sincerely,

Virginia Lawrence

Virginia Lawrence
Head, Land Dept.

VL/lv

cc: Robert H. Strand
HEYCO
Box 1933
Roswell, NM 88201



March 29, 1979



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

Attention: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Sec. 8-14-36
Lea County, New Mexico
South McDonald Area

Gentlemen:

Please refer to Harvey E. Yates Company's letter dated March 24, 1979, making application for administrative approval of an unorthodox location for the captioned well.

Champlin Petroleum Company owns a working interest in the lease covering the E/2 Section 17-14-36 which is a diagonal SE offset to Yates' proposed well. Champlin has no objection to the unorthodox location at 1980' FWL and 1650' FLS of Section 8.

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. L. Lanning".

R. L. Lanning
District Landman

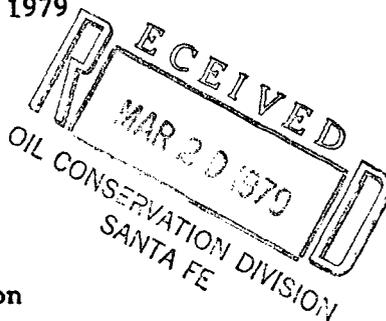
RLL:ld

Office Phone
A.C. 806 763-5326

JACK MARKHAM
OIL PROPERTIES
SUITE 1212
1500 BROADWAY
LUBBOCK, TEXAS 79401

Res. Phone
A.C. 806 799-6769

March 27, 1979



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

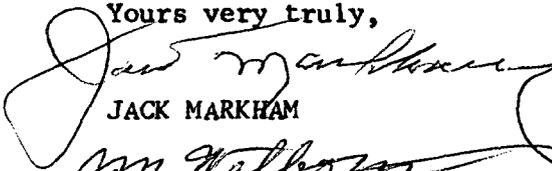
Attention: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Sec. 8,
T-14S R-36E, N.M. P.M.
Lea County, New Mexico

Dear Mr. Stamets:

We wish to advise that we have no objection to the unorthodox location of Harvey E. Yates Company as captioned above and set out in their letter of March 24, 1979.

Yours very truly,


JACK MARKHAM

J. M. WELBORN

JM:ab

CC: HARVEY E. YATES COMPANY
P. O. Box 1933
Roswell, New Mexico 88201

DAVOIL INC.

Suite 509, Ridglea Bank Bldg. • P. O. Box 14507 • Fort Worth, Texas 76116 • 817-737-6678

J. L. Brannon
President-Treasurer

RECEIVED
MAR 23 1979
OIL CONSERVATION DIVISION
SANTA FE

March 26, 1979

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

Attention: Mr. Richard Stamets

Re: Austin-Monteith #1
W/2 Sec. 8,
T-14S R-36E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

Davoil, Inc. is a working interest owner in Section 17 which joins Section 8 on the South. This is to advise you that Davoil, Inc. does not have any objection to the proposed unorthodox location suggested by Harvey E. Yates Company.

Very truly yours,

DAVOIL, INC.


President

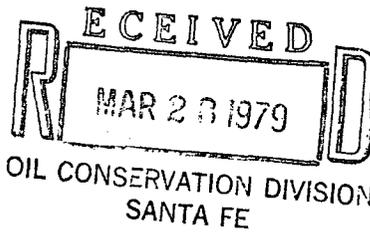
J. L. Brannon

JLB:gv

cc: Harvey E. Yates Company
Robert H. Strand, Attorney

**ENSERCH
EXPLORATION** INC.

P. O. Box 4815
Midland, Texas 79701
915-682-9756



Jerry Nash
District Production Manager
West Texas District
Drilling and Production Division

March 26, 1979

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

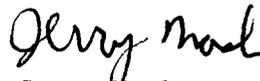
Attention: Mr. Richard Stamets

Re: Harvey E. Yates Company
Austin-Monteith No. 1
W/2 Section 8
T14S, R36E, N.M.P.M.
Lea County, New Mexico

Dear Mr. Stamets:

This is to advise that Enserch Exploration, Inc., as offset operator, has no objection to the unorthodox location proposed by Harvey E. Yates Company for the above subject well.

Yours truly,


Jerry Nash

JN:vjd

cc: Robert H. Strand, Attorney
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

NATURAL RESOURCES GROUP
Exploration and Production



March 29, 1979

Harvey E. Yates Company
Austin-Monteith #1
W/2 Sec. 8
T-14S R-36E, N.M.P.M.
Lea County, New Mexico

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

Attention: Mr. Richard Stamets

Gentlemen:

We hereby waive any and all objections to the proposal of Harvey E. Yates Company to drill its Austin-Monteith #1 at an unorthodox location spotted 1980' FWL and 1650' FSL of Section 8, Township 14 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

It is further understood that this well is to be drilled as a gas well to test the Mississippian Formation with the west half of Section 8 as its dedicated proration unit.

Very truly yours,


J. W. Maharg
Engineering Director

THM:rja

cc: Harvey E. Yates Company
P. O. Box 1933
Roswell, NM 88201