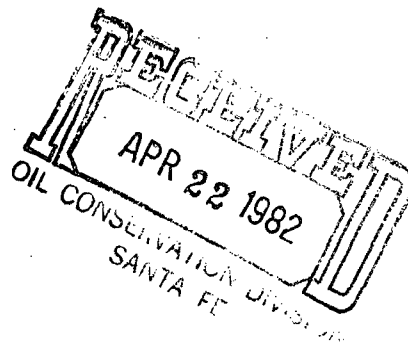




207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

April 20, 1982

NSC-1521
Rule 104 F
5-18-82
Waiver in
immediate

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Waiver

Re: Allison "CQ" Federal #9
Lease No. NM-14118
Section 15-T19S-R24E
990' FNL and 1300' FWL
Eddy County, New Mexico

Dear Sir:

Yates Petroleum Corporation requests administrative approval of an unorthodox gas well location as provided for under NMOC Rule 104F.

The referenced well requires the north half of section 15 be dedicated to it. We think the best new channel sand is at 990' FNL - 1300' FWL. Hence, this request is for geologic reasons.

Following are the formations we expect to drill through:

San Andres	Lower Canyon
Glorieta	Strawn
Abo	Atoka
Wolfcamp Lime	Morrow Clastics
Cisco	Chester

Amoco, the only offset holder, is being notified by a certified copy of this letter and asked to submit a waiver for the non-standard location to your office.

Thank you for your immediate attention on this request and if there are any questions, please call me.

Sincerely,

Gliserio Rodriguez
Gliserio Rodriguez
Regulatory Manager
YATES PETROLEUM CORPORATION

cc
GR/dw

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 S. 4th, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

990' FNL and 1300' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

26 miles SW of Artesia, New Mexico.

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWEIL, NEW MEXICO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

990'

16. NO. OF ACRES IN LEASE

2560'

19. PROPOSED DEPTH

9000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3691.0 GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# J-55	approx. 320'	300 sx circulated
12 1/4"	8 5/8"	24# J-55	920'	450 sx circulated
7 7/8"	4 1/2 or 5 1/2"	15.5 - 17#	TD	400 sx
		10.5 - 11.6#		

We propose to drill and test the Morrow and intermediate formations. Approximately 320' of surface casing will be set to shut off gravel and caving, and intermediate casing will be set 100' below the Artesian Water Zone. If commercial, will run 4 1/2" or 5 1/2" with 100' cement cover, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel & LCM to 920', Fresh water to 4000', 2% KCL water to 6300', starch-driskak-KCL to 8200', starch-driskak-KCL SW gel to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Regulatory Coordinator

DATE 3/30/82

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL

APPROVAL FOR NEW STD LOCATION

JAMES A. GILLHAM
DISTRICT SUPERVISOR

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

RECEIVED
APR 22 1982
OIL CONSERVATION
SANTA FE

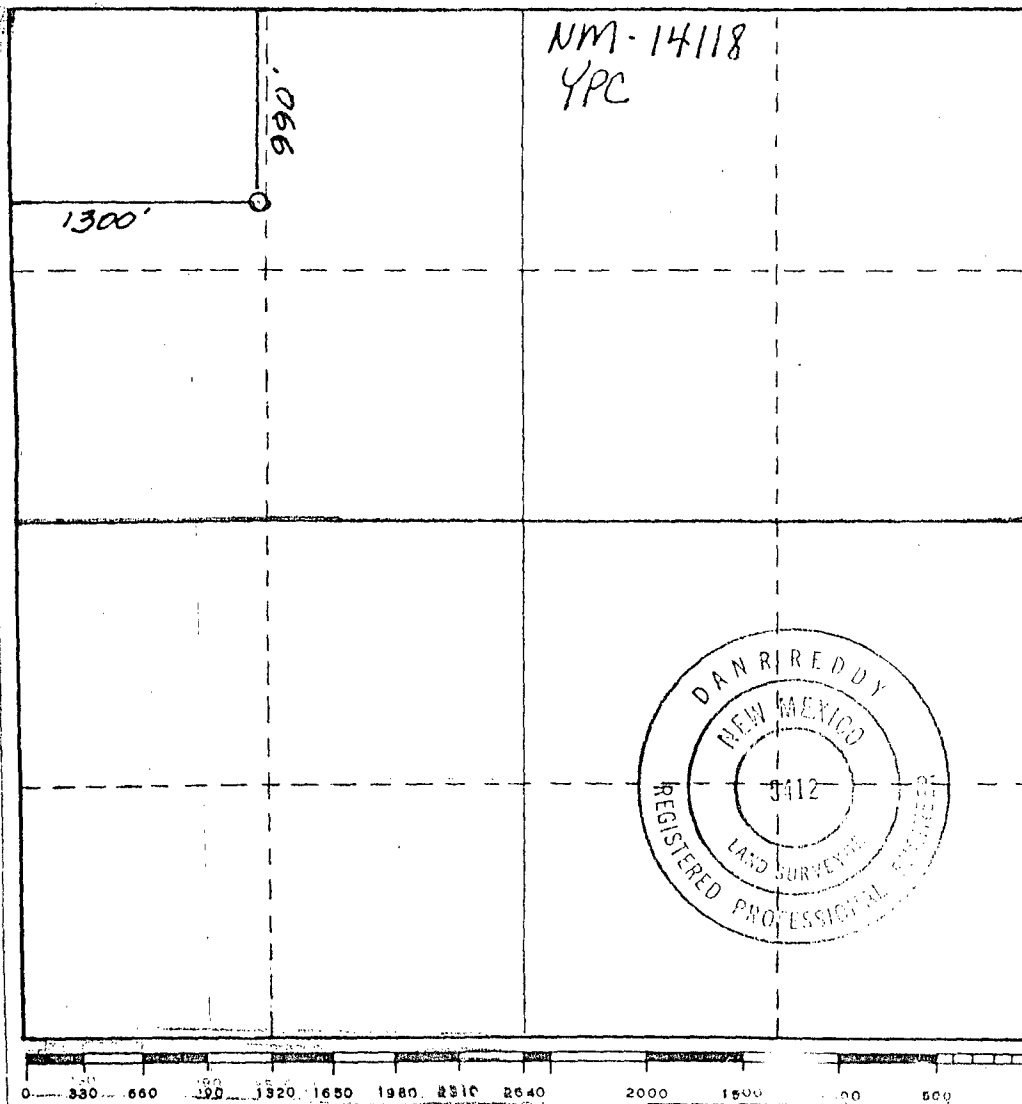
Operator YATES PETROLEUM CORPORATION		Lease Allison CO Federal		Well No. 9
Unit Letter D	Section 15	Township 19 South	Range 24 East	County Eddy
Actual Footage Location of Well: 990 feet from the North line and 1300 feet from the West line				
Ground Level Elev. 3691.	Producing Formation Morrow	Pool Under Morrow	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Coordinator
Company
Yates Petroleum Corp.
Date
3/31/82

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.

Date Surveyed
March 27, 1982
Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS #5412

P23 8868170

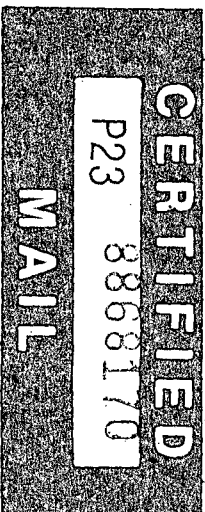
RECEIPT FOR CERTIFIED MAIL

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

SENT TO	
Amoco Production Co.	
STREET AND NO.	
P.O. Box 3092	
P.O. STATE AND ZIP CODE	
Houston, Tx 77001	
POSTAGE	\$
CERTIFIED FEE	c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

4/20/82

PS Form 3800, Apr. 1976



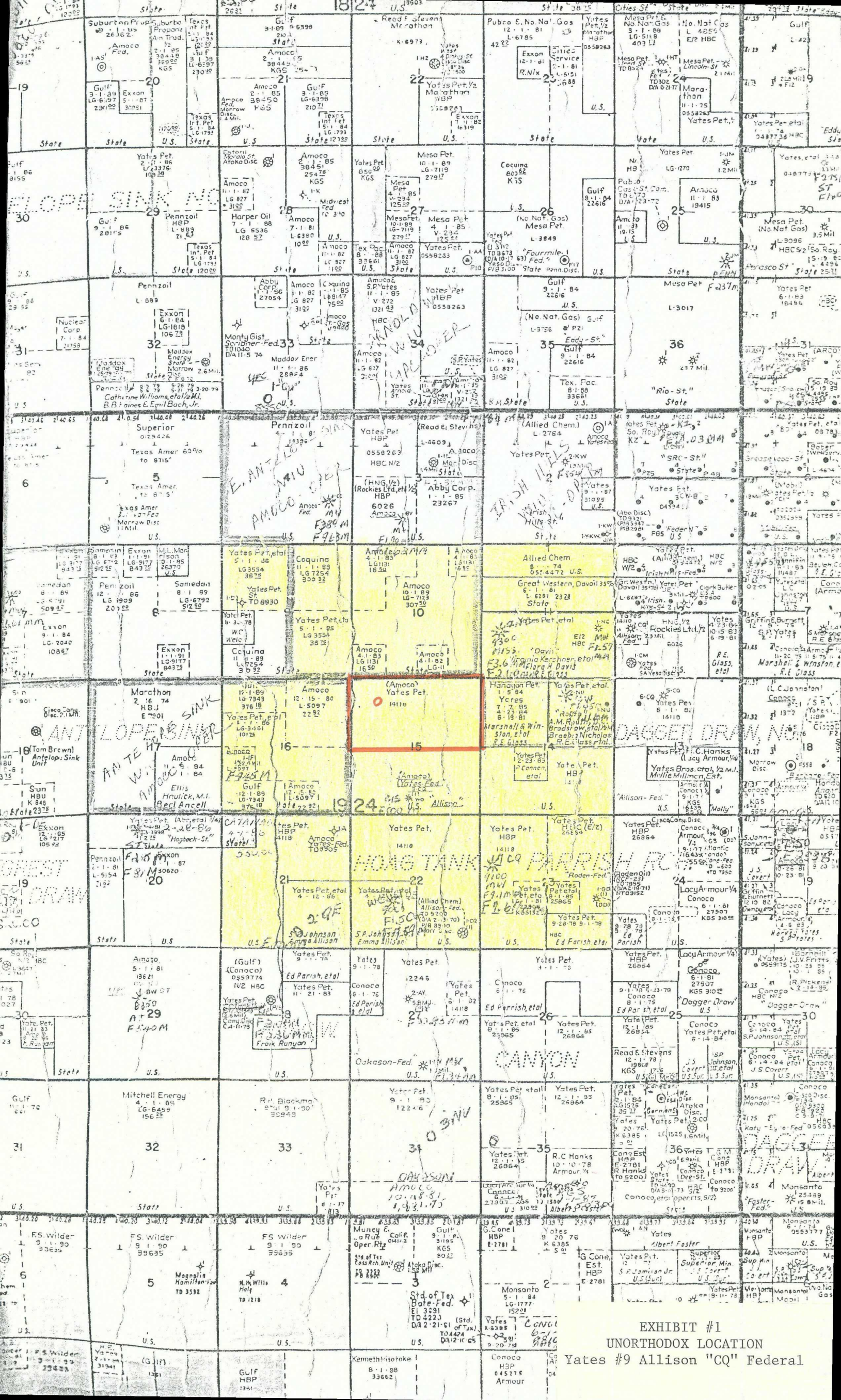


EXHIBIT #1
UNORTHODOX LOCATION
Yates #9 Allison "CQ" Federal



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

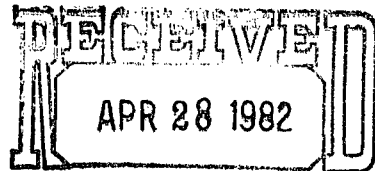
TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

April 26, 1982

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

Attention: Mr. Dick Stamets



OIL CONSERVATION DIVISION
SANTA FE

Re: Unorthodox Location
#9 Allison "CQ" Federal
Township 19 South, Range 24 East
Section 15
Eddy County, New Mexico

Gentlemen:

We are enclosing herewith our request for administrative approval for the unorthodox location of the captioned well to be drilled 990 feet FNL and 1300 feet FWL of Section 15.

Also enclosed is a land plat showing the proposed location and an isopach map showing the varying thickness of the Morrow clastics, together with an excerpt from the Compensated Neutron-Formation Density log of the Yates #1 Oakason "NV".

We appreciate your consideration of this matter.

Yours very truly,

RANDY G. PATTERSON
Land Department

Robert J. Laughlin

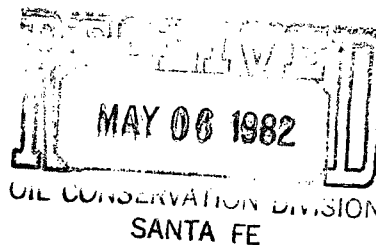
/bh
Enclosures

cc: New Mexico Oil Conservation Division
324 W. Main
Artesia, New Mexico 88210
Attention: Mr. Bill Gressett

COPY

TX

RE: ALLISON "CQ" FEDERAL #9
LEASE NO. NW-14118
SECTION 15-T19S-R24E
990' FNL & 1300' FWL
EDDY COUNTY, NEW MEXICO



NEW MEXICO OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87503

ATTENTION: RICHARD STAMETS

YATES PETROLEUM CORPORATION HAS FILED AN APPLICATION FOR ADMINISTRATIVE
APPROVAL OF AN UNORTHODOX GAS WELL LOCATION FOR THE ABOVE REFERENCED WELL
TO BE DRILLED THROUGH THE FOLLOWING FORMATIONS:

SAN ANDRES
GLORIETA
ABO
WOLFCAMP LIME
CISCO

LOWER CANYON
STRAWN
ATOKA
MORROW CLASTICS
CHESTER

AS AN OFFSET OPERATOR, AMOCO PRODUCTION COMPANY HAS NO OBJECTION TO THE
DRILLING OF THE LOCATION OF THE ALLISON "CQ" FEDERAL #9.

R.G. Smith

R. G. SMITH *mlc*
REGIONAL ENGINEERING MANAGER -WEST

MLC/1rd

CC: YATES PETROLEUM CORPORATION
207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

FILE: 986.511M

APRIL 29, 1982

Facsimile Transmission

Addressee's Telecommunications

05-746-6480

Date

4-29-82

Page

1 of 2

To: Name

Yates Petro Corp

Company

Amoco Prod Co

Location

Artesia N.M.

Mail Code/Room

From: Name

R.G. Smith

Company

Amoco Prod Co

Location

Houston, Tx

Mail Code/Room

TWX

RE: ALLISON "CQ" FEDERAL #9
LEASE NO. NW-14118
SECTION 15-T19S-R24E
990' FNL & 1300' FNL
EDDY COUNTY, NEW MEXICO

NEW MEXICO OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87503

ATTENTION: RICHARD STAMETS

YATES PETROLEUM CORPORATION HAS FILED AN APPLICATION FOR ADMINISTRATIVE
APPROVAL OF AN UNORTHODOX GAS WELL LOCATION FOR THE ABOVE REFERENCED WELL
TO BE DRILLED THROUGH THE FOLLOWING FORMATIONS:

SAN ANDRES
GLORIETA
ABO
WOLF CAMP LIME
CISCO

LOWER CANYON
STRAWN
ATOKA
MORROW CLASTICS
CHESTER

AS AN OFFSET OPERATOR, AMOCO PRODUCTION COMPANY HAS NO OBJECTION TO THE
DRILLING OF THE LOCATION OF THE ALLISON "CQ" FEDERAL #9.

R.G. Smith

R. G. SMITH *RLC*
REGIONAL ENGINEERING MANAGER - WEST

RLC/1rd

CC: YATES PETROLEUM CORPORATION
207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

FILE: 986-51NM

APRIL 29, 1982



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 23, 1982

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Yates Petroleum Corp.
207 South Fourth Street
Artesia, New Mexico 88210

Re: Application for Non-Standard
Location: Allison "CQ" Federal
Well No. 9, Sec. 15, T-19-S,
R-24-E, Eddy County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

- ☒ A plat must be submitted clearly showing the ownership of the offsetting leases.
- ☐ A statement must be submitted that offset owners have been notified of the application by certified mail.
- ☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.
- ☒ Other: All geologic information required in paragraph III of Rule 104 F must be submitted and should be signed by a geologist.

Very truly yours,

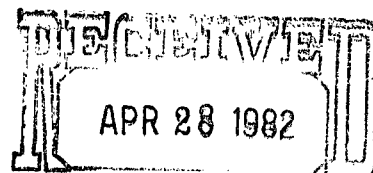
R. L. STAMETS
Technical Support Chief

RLS/dr



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



OIL CONSERVATION DIVISION
SANTA FE

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

GEOLOGIC CONDITIONS
FOR
UNORTHODOX LOCATION
OF THE

YATES PETROLEUM CORPORATION #9 ALLISON "CQ" FEDERAL
990' FNL & 1300' FWL Section 15 19S-24E

Yates Petroleum Corporations respectfully requests administrative approval for the unorthodox location of its proposed Allison "CQ" Federal #9 to be drilled 990 feet from the North line and 1300 feet from the West line of Section 15, Township 19 South, Range 24 East, Eddy County, New Mexico. The North half of Section 15 would be dedicated to the well.

The necessity for this unorthodox location is based upon geologic conditions.

Exhibit #1 is a land plat showing the proposed location and its relationship to the surrounding acreage situation. Yellow denotes acreage in which Yates has full or partial operating rights. The proration unit is outlined in red.

Exhibit #2 is an isopach map showing the varying thickness of the Morrow clastics. Although strike-fed, thinner sands along "thins" may produce gas in quantities varying from sub-economic to economic, wells located along or close to the axes of Morrow clastics "thicks" have a much better chance of encountering the more economically

successful, gas-productive, dip-fed, thicker Morrow clastics channel sands. For example, the Oakason "NV" #1 and #2 (both in Section 27 of 19-24), which are located along the axis of a "thick", have encountered good gas productive Morrow channel sands.

According to the present interpretation of extant data, a well drilled at the proposed location should encounter a Morrow clastics "thick" and one or more channel sands.

Exhibit #3 is an annotated excerpt from the Compensated Neutron - Formation Density log of the Yates #1 Oakason "NV" in the South half of section 27. Shown on this log are the pertinent tops and isopach intervals picked by correlation.

In summary, the proposed unorthodox location is the best allowable location in the North half of Section 15 which would enable the bore hole to penetrate the axis of a Morrow clastics "thick". It is anticipated that the penetration of the axis of this "thick" will increase the chances of encountering one or more Morrow channel sands.

The above discussion of geologic conditions and Exhibits #2 and #3 were prepared by Ray Beck and Exhibit #1 was prepared under his direction. Ray Beck is employed by Yates Petroleum Corporation as a geologist in Artesia, New Mexico, and has been accepted as an expert witness by the New Mexico Oil Conservation Division on numerous occasions.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

Ray Beck, being first duly sworn upon his oath, deposes and says: That he has read and is familiar with the information and allegations set forth above and the same are true and correct to the best of his information, knowledge and belief.

SUBSCRIBED AND SWORN TO AND ACKNOWLEDGED before me this 26 day of April, 1982.

My commission expires:
June 27, 1984

Ray Beck
RAY BECK
Betty Ruth Hodges
Notary Public

