YATES PETROLEUM CORPORATION

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.

NSL 1576
Wolfcamp and
Pennsylvanian formations
Rule 104 F
No offsets
No waiting

RECEIVED
AUG 23 1982
OIL CONSERVATION DIVISION
SANTA FE

August 19, 1982

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

Attention: Mr. Dick Stamets

Re: Unorthodox Location
Allison "CQ" Federal #8
Township 19 South, Range 24 East
Section 14
Eddy County, New Mexico

Gentlemen:

Enclosed is our request for administrative approval for an unorthodox location of the captioned well to be drilled 1980' FSL and 990' FEL of Section 14, Township 19 South, Range 24 East.

Also enclosed is a land plat showing the proposed location and an isopach map showing the varying thicknesses of the Morrow clastics. Additionally, we have attached an excerpt from the compensated Neutron formation density log of the Yates Petroleum Corporation's Oakason "NV" Federal #1 well located in Section 27 of Township 19 South, Range 24 East. It will not be necessary to obtain waivers from offset operations and owners since, in this case, the acreage is Yates Petroleum Corporation's.

We respectfully request your prompt attention and appreciate your consideration.

Thank you.

Yours very truly,

YATES PETROLEUM CORPORATION

Kathy H. Colbert

Kathy H. Colbert
Landman

KHC/bh

Enclosures

cc: New Mexico Oil Conservation Division
Artesia, New Mexico
Attn: Mr. Bill Gressett

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GEOLOGIC CONDITIONS FOR THE UNORTHODOX LOCATION OF THE YATES PETROLEUM CORPORATION #8 ALLISON "CQ" FEDERAL

1980' FSL & 990' FEL
Section 14 19S-24E

Yates Petroleum Corporation respectfully requests administrative approval for the unorthodox location of its proposed Allison "CQ" Federal #8 to be drilled 1980 feet from the South line and 990 feet from the East line of Section 14, Township 19 South, Range 24 East, Eddy County, New Mexico. The South half of Section 14 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 to Chester interval. Although strike-fed, thinner sands along "thins" may produce gas in quantities varying from sub-economic to economic, wells along or close to the axes of "thicks" have a much better chance of encountering the more economically successful, gas productive, dip-fed, thicker

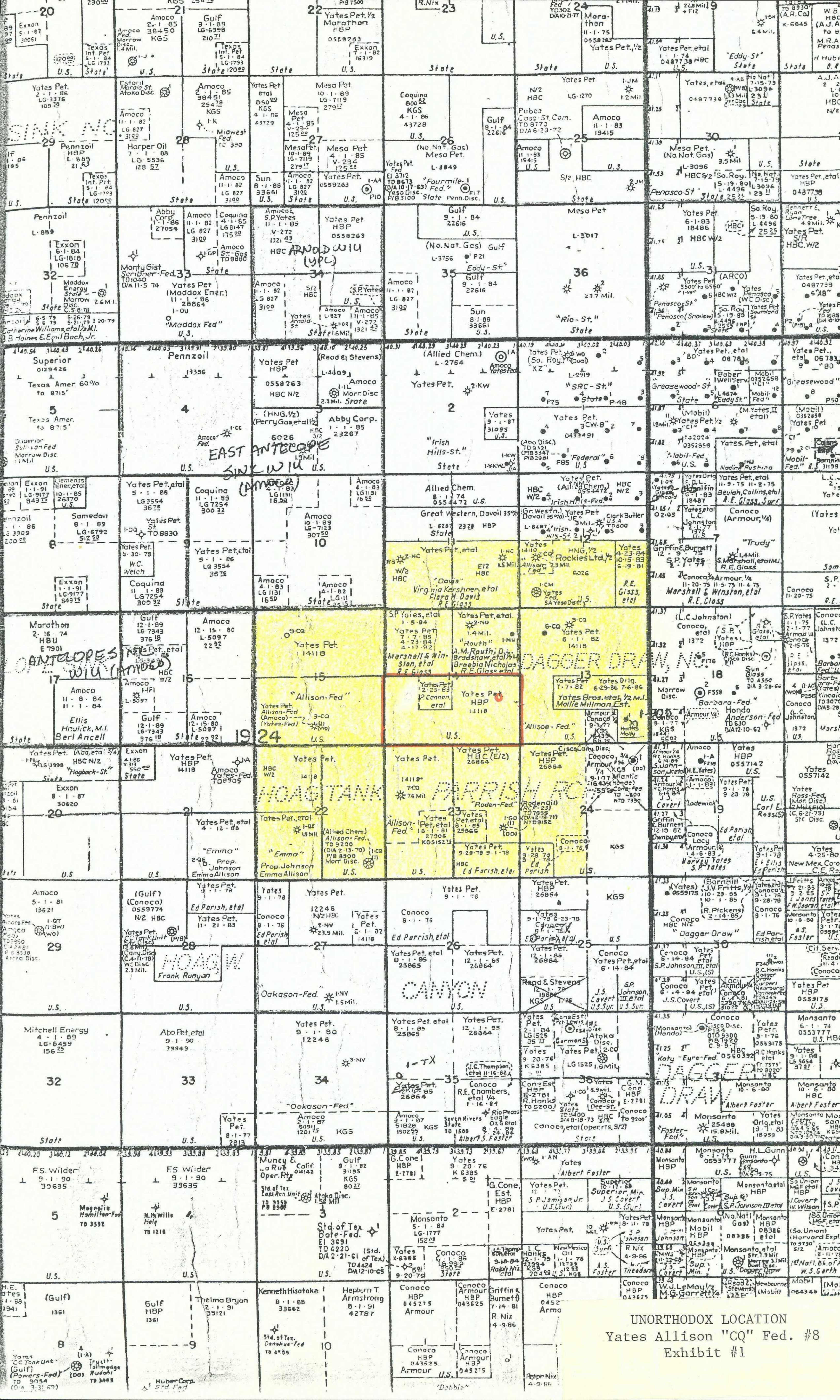
Morrow clastics channel sands. For example, the Oakason "NV" #1 and #2 (both in Section 27 of 19-24), which are located along the axis of a "thick", have encountered good, economic gas-productive Morrow channel sands.

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.

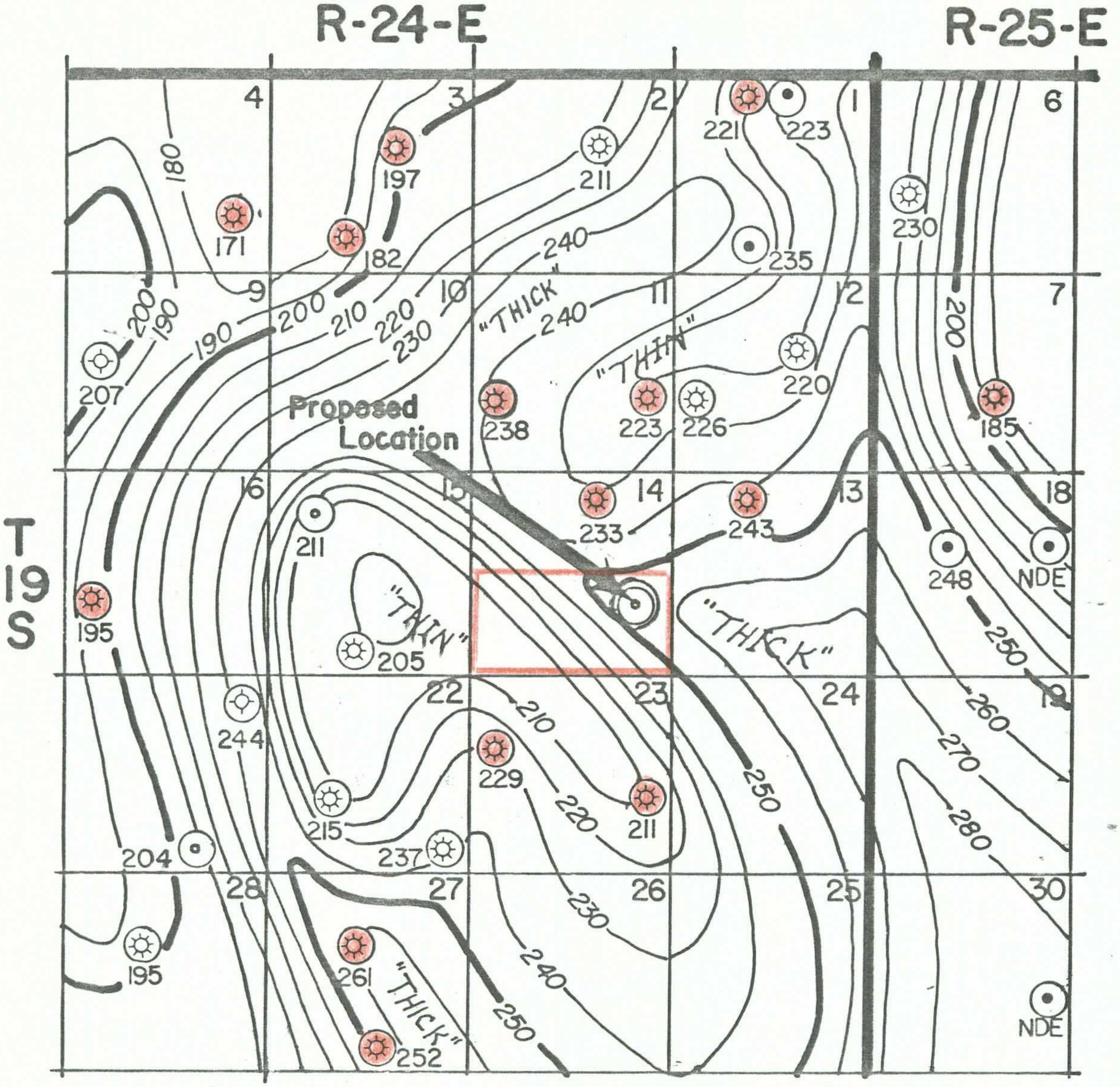
Exhibit #3 is an annotated excerpt from the Compensated Neutron-Formation Density log of the Yates #1 Oakason "NV" in the South half of Section 27 19S-24E. Shown on this log are the pertinent tops and isopach intervals picked by correlation.

In summary, the proposed location is the best allowable location in the South half of Section 14 which would allow the borehole to penetrate the axis of a "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 previous occasions.



UNORTHODOX LOCATION
Yates Allison "CQ" Fed. #8
Exhibit #1



LEGEND

⊛ Morrow Penetration

252 ← Morrow Clastics to Chester Lime thickness

● Morrow Gas Well

⊙
⊛ } Producing from Horizons other than Morrow

250 Isopach Contours C.I.= 10 ft.

Scale: 1"= 5000'

UNORTHODOX LOCATION
Yates Allison "CQ" Fed. #8
Exhibit #2