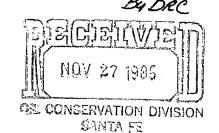
Release December 17,1985

RIO PECOS CORPORATION

110 WEST LOUISIANA, SUITE 460 MIDLAND, TEXAS 79701

(915) 687-0127



- LAND -

SCOTT E. WILSON

ROCER T FILIOTT

November 25, 1985

- GEOLOGY -

MARK D. WILSON

TODD M. WILSON

HEATHER WILSON ECHOLS

NSL - 2211

RULE-104 F(Z)
320 Acros dedicated to well
N/2 Section 34

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

Re: Application for Administrative Approval of Unorthodox Location Yates Petroleum Corporation Vacuum-North

N/2 Section 34, T-16-S, R-34-E, Lea County, New Mexico

Dear Mr. Stamets:

ADJ State Com #1

MADJ "State Comm 100. 1

By Order No. R-8073 (copy attached), the NMOCD approved our application for an unorthodox location at 660' FNL & 660' FWL of Section 34, T-16-S, R-34-E, for the Undesign nated South Kemnitz Atoka-Morrow Gas Pool, with the N/2 of said Section 34 dedicated to the well. Yates Petroleum Corporation, as Operator, upon staking the location, found a buried gas pipeline owned by Phillips Petroleum Company which runs across our location; therefore, Yates has staked an alternative location at 833' FNL & 660' FWL of said Section 34 to avoid encroaching Phillips' pipeline.

On behalf of Yates, we request administrative approval of the alternative location based upon the above described topographical condition. A new plat showing the alternative location is attached.

We are notifying the offsetting operators of this application by sending them a copy of this application by certified mail. As an offset operator, if you have no objections to this application, please sign the enclosed waiver in triplicate, forward one copy to Mr. Stamets and return one copy to me. The extra copy is for your records.

The offset operators are:

Elk Oil Company, P. O. Box 310, Roswell, NM, 88201, Attn: Mr. Joseph J. Kelly Atlantic Richfield Company, P. O. Box 1610, Midland, TX, 79702, Attn: Mr. David C. Douglas Shell Western E & P, Inc., P. O. Box 576, Houston, TX, 77001, Attn: Mr. A. J. Fore Amoco Production Company, P. O. Box 3092, Houston, TX, 77001, Attn: Mr. Jim Allen Pennzoil Company, P. O. Box 1828, Midland, TX, 79702, Attn: Mr. Lonnie L. Whitfield Mobil Producing Texas & New Mexico, Inc., P. O. Box 633, Midland, TX, 79702, Attn: Mr. K. M. Johnston

four Mobil

Remarks: Devision Order R-8073 previously approved an unorthodox location of Kemarks: Devision Order R-8073 previously approved an unorthodox location of the coeff 660 FNL and 660 FWK of Seitur 34 for the above repensad coeff. The coeff 660 FNL and 660 FWK of Seitur 34 for the above subsequently had to be moved due to Duface restrictions to the above described location.

Mr. Richard L. Stamets, Director New Mexico Oil Conservation Commission Page -2-November 25, 1985

All of the above offset operators have verbally approved the alternative location. Assuming no objections are forthcoming, please grant Yates approval of the unorthodox well location at 833' FNL & 660' FWL of said Section 34. Please call me at 915-687-0127 if you need additional information.

Very truly yours,

RIO PECOS CORPORATION

Scott E. Wilson Vice President

SEW/sh

Attachments

STATE OF NEW MEXICO (ENLAGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 8687 Order No. R-8073

APPLICATION OF RIO PECOS
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 28, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of November, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Rio Pecos Corporation, seeks approval of an unorthodox gas well location 660 feet from the North and West lines of Section 34, Township 16 South, Range 34 East, NMPM, Undesignated South Kemnitz Atoka-Morrow Gas Pool, Lea County, New Mexico.
- (3) The N/2 of said Section 34 is to be dedicated to the well.
- (4) A well at said unorthodox gas well location will better enable applicant to produce the gas underlying the proration unit.
- (5) No offset operator objected to the proposed unorthodox location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

- (1) The application of Rio Pecos Corporation for an unorthodox gas well location for the Undesignated South Kemnitz Atoka-Morrow Gas Pool is hereby approved for a well to be located at a point 660 feet from the North and West lines of Section 34, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.
- (2) The N/2 of said Section 34 shall be dedicated to the above-described well.
- (3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

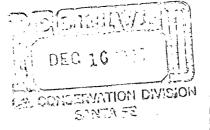
R. L. STAMETS

Director

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Amoco Production Company

Houston Region 501 WestLake Park Boulevard Post Office Box 3092 Houston, Texas 77253

R. E. Ogden Regional Engineering Manager

December 11, 1985

File: JCA-986.5NM-6246

Re: Unorthodox Location

Vacuum-North "ADJ" Federal No. 1

Lea County, New Mexico

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

Dear Mr. Stamets:

This is to advise that Amoco Production Company has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Federal No. 1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

833' FNL and 660' FWL of Section 34, T16S, R34E, Lea County, New Mexico

Yours very truly,

MLC/rr

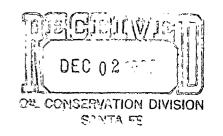
cc: Rio Pecos Corporation

110 West Louisiana

Suite 460

Midland, Texas 79701

WAIVER

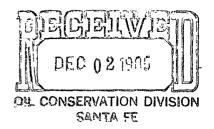


Mr. Richard L. Stamets, Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Fed. #1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

Executed this 26th day of November	, 1985.
.î.	By District Exploration Manager



Supplied the March March 18 Super

WAIVER

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

26th

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Fed. #1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

November

executed this day of	, 1985.
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	By Whoel of Whose
	District Exploration Manager

ON CONSERVATION DIVISION GANTA FE

TAKER STOTES

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WAIVER

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

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Fed. #1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

> 833' FNL and 660' FWL of Section 34, T16S, R34E, Lea County, New Mexico

Executed this _	26th	day ofNovemb	er, 1985.	
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			Company PENN/OIL COMPANY	
			By / Whod X- /// W	Mayor -
		j.	Tialo District Exploration Manage	



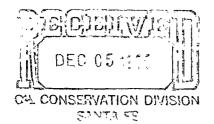
WAIVER

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

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We hereby waive any objections to the granting of this application for the above well which will be located:

Executed this_	27	_ day of	Wov.		1985.		
				Compan	* ARC	o Oila	nd Case
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				Title	Area 1	Enginee	



Evoquetad Abi-

WAIVER

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

3rd

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Fed. #1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

December

Executed this (day of	
	Company SHELL WESTERN E&P INC.	
	By and Jul	
	Title SUPERVISOR REGULATORY & PERMIT	TING

WAIVER

DEC 0 2 1005

OIL CONSERVATION DIVISION
SANTA FE

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

Executed this 27th day of November

This is to advise that the undersigned has been given due notice that Yates Petroleum Corporation has made application for administrative approval of an unorthodox location for Vacuum-North "ADJ" Fed. #1, Undesignated South Kemnitz Atoka-Morrow Gas Pool.

We hereby waive any objections to the granting of this application for the above well which will be located:

•	
	Company ELK OIL COMPANY
	By
	Title Joseph J. Kelly, President