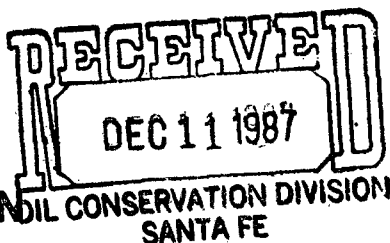


Release Date:
December 31, 1987



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.

December 10, 1987

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

ATTENTION: Mr. William LeMay

RE: Hoover ADR State #5
Non-Standard Location
1500' FSL and 990' FWL of
Section 1-T17S-R33E
Lea County, New Mexico

*NSL-2454
RULE-104F(I)
Sammel Queen Pool
40 Acres old
NW1/4 SW1/4 Section 1*

Dear Sir:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOCD Rule 104F.

The reason for requesting this non-standard location is topographic. Our preferred location was 1765' FSL and 990' FWL of Section 1-T17S-R33E, but due to a buried pipeline we chose the non-standard location of 1500' FSL and 990' FWL as this was the best location to drill the captioned well.

Enclosed please find a copy of the lease map showing the offsetting lease operators, a topographic map of the area and a survey plat. Offsetting lease operators have been notified of our intentions by certified mail, via a xerox copy of this letter. A copy of the certifications have been enclosed.

Formations that we expect to drill through are: Rustler Anhydrite, Salado Salt, Tansil, Yates, Seven Rivers and Queen. Our expected total depth is 3900'.

If you have any questions concerning this matter, please do not hesitate to call me at 505-748-1471.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Rusty Jernigan
Rusty Jernigan
Regulatory Secretary

rj

cc: See Attached

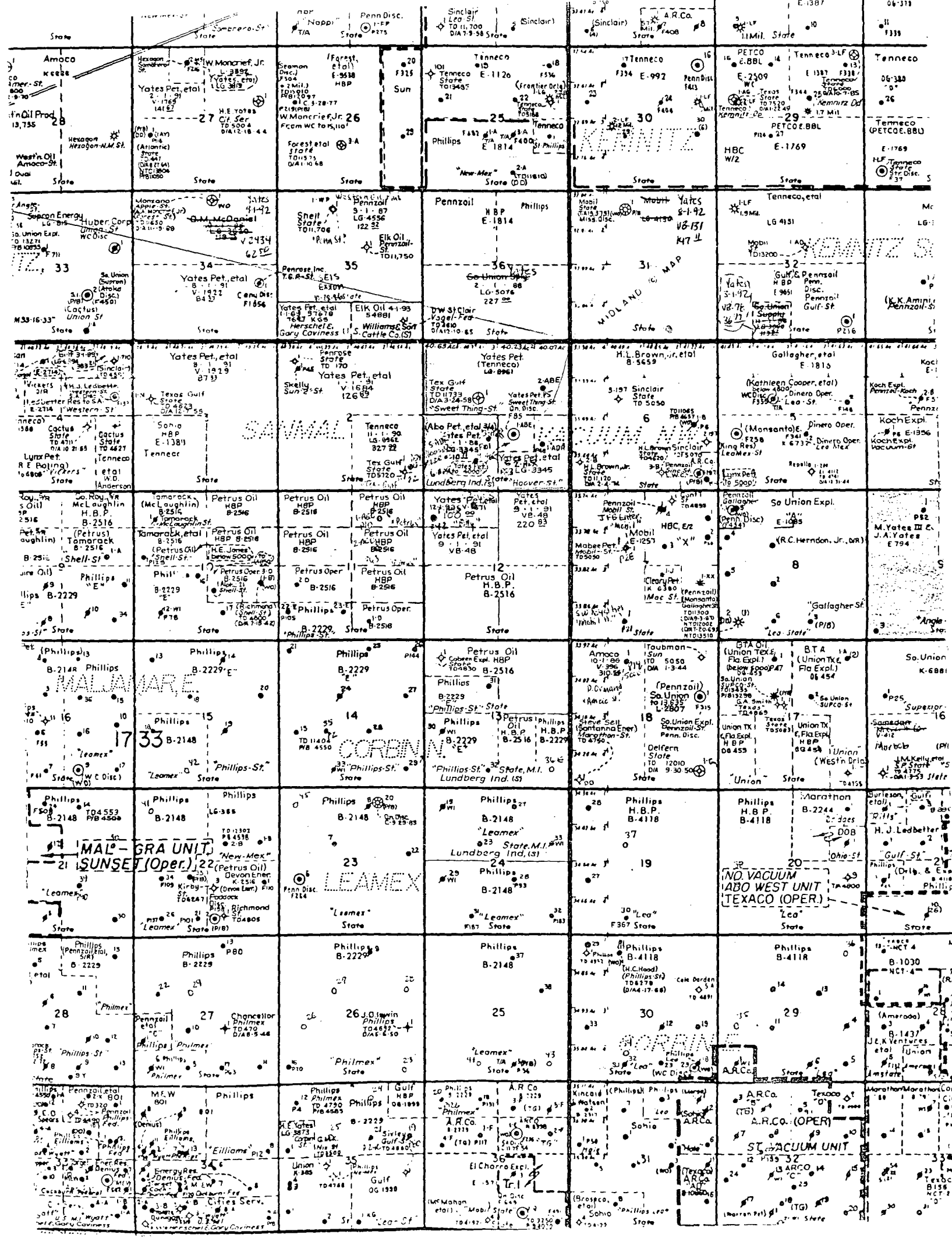
HOOVER ADR STATE #5

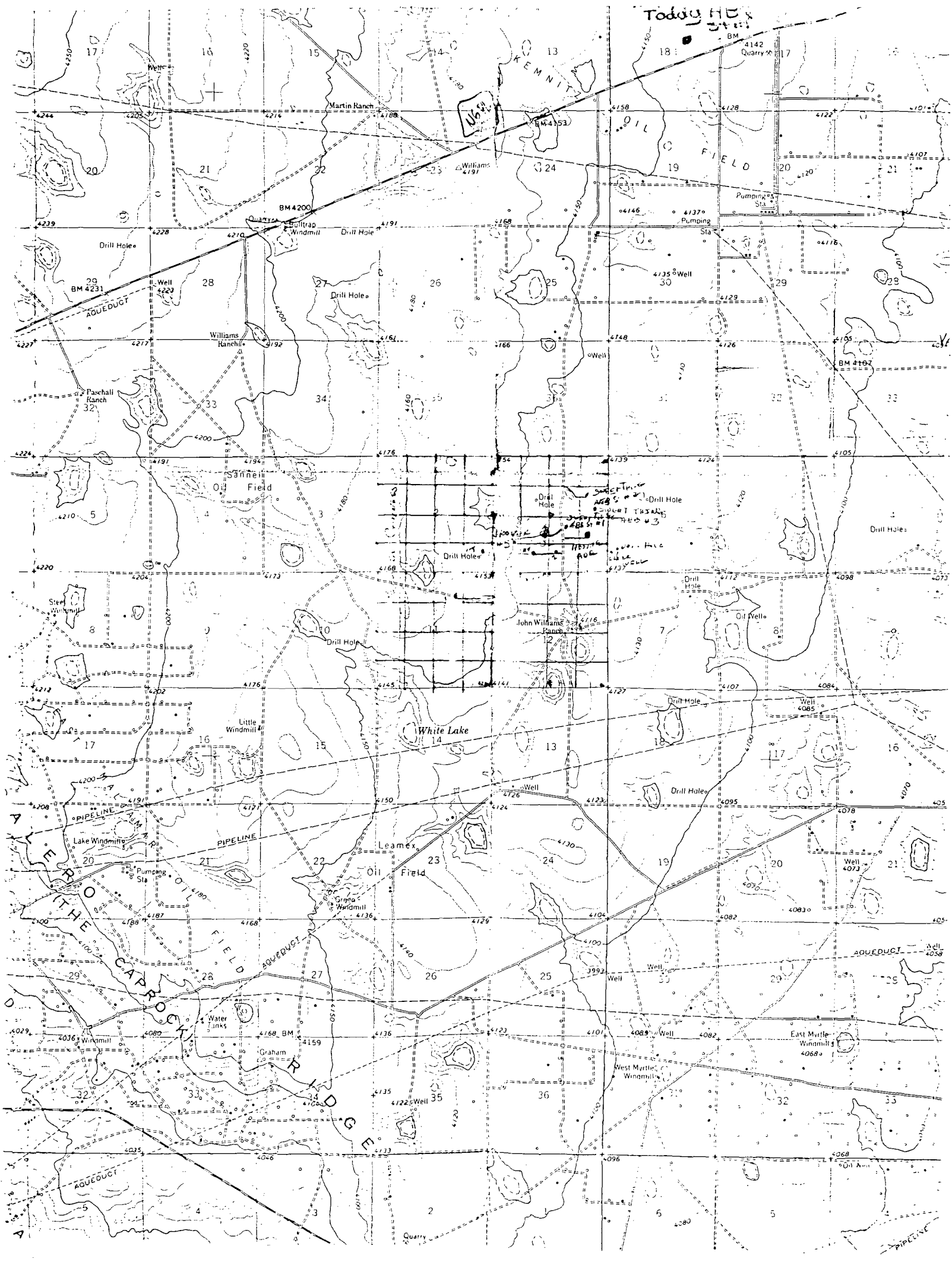
Oil Conservation Division
P. O. Drawer 2088
Santa Fe, NM 87501
ATTN: Mr. William LeMay

Tenneco Oil Exploration & Production
7990 I.H. 10 West
San Antonio, TX 78230
ATTN: Mr. Rex Bourland

Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501
ATTN: Mr. David Catanach

Petrus Operating Company, Inc.
12201 Merit Drive
Suite 900
Dallas, TX 75251
ATTN: Mr. Rick Rollow





**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.

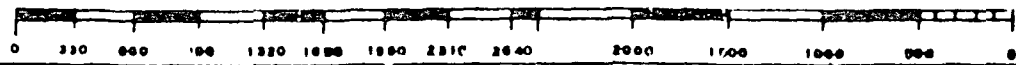
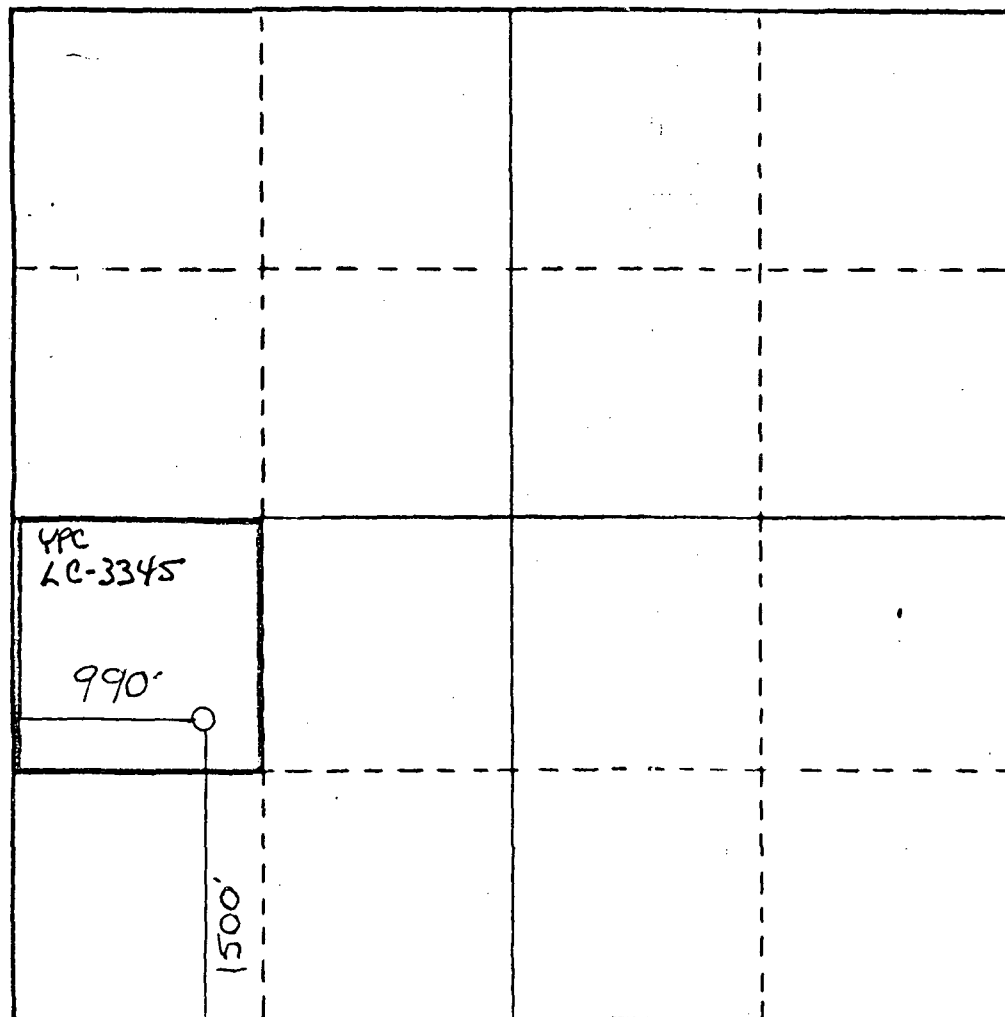
Operator YATES PETROLEUM CORPORATION			Lease HOOVER ADR STATE		Well No. 5
Unit Letter L	Section 1	Township 17S	Range 33E	County LEA	
Actual Footage Location of Wells 1500 feet from the South line and 990 feet from the West line					
Ground Level Elev. 4150.3'	Producing Formation		Dedicated Acreage Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Agent

Company

Yates Petroleum Corporation

Date

December 3, 1987

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

Registration Professional Engineer and/or Land Surveyor

3640

Certificate No. 3640

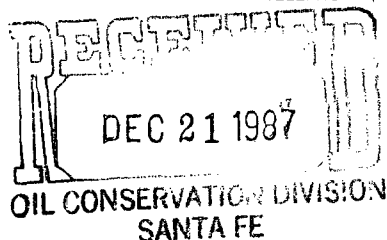
3640



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.



December 10, 1987

RE: Unorthodox Location
Hoover ADR State #5
1500' FSL and 990' FWL of
Section 1-T17S-R33E
Lea County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, NM 88210, to the attention of Rusty Jernigan, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501, if you have no objections to the proposed unorthodox location listed above. A xerox copy of a letter to Mr. William LeMay is attached to tell you of our intentions.

W A I V E R

As an offset operator, Tenneco Oil Exploration and Production, has no objections to the unorthodox location for the well listed above.

Douglas A. Liske
Signature

Division Geologist
Title

12/15/87
Date



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.

December 10, 1987

RE: Unorthodox Location
Hoover ADR State #5
1500' FSL and 990' FWL of
Section 1-T17S-R33E
Lea County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, NM 88210, to the attention of Rusty Jernigan, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501, if you have no objections to the proposed unorthodox location listed above. A xerox copy of a letter to Mr. William LeMay is attached to tell you of our intentions.

W A I V E R

As an offset operator, Petrus Operating Company, Inc., has no objections to the unorthodox location for the well listed above.

Signature

Title

Date

P-564 127 200

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, July 1985
U.S. G.P.O. 1985-345-845

Sent to	
Petrus Operating Co., Inc.	
12201 Merit Drive	
Suite 900	
P.O., State and ZIP Code	
Dallas, TX 75251	
Name	
Mr. Rick Rollow	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	
December 10, 1987	
Hoover ADR State #5 - NSL	

P-564 127 201

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED

NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, 11-85 (5-87)

Sent to Tenneco Oil Expl. & Prod.	
Street and No. 7990 I.H. 10 West	
P.O., State and ZIP Code San Antonio, TX 78230	
Mr. Rex Bourland	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date December 10, 1987 Hoover ADR State #5 NSL	