

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



Yates Petroleum Corp  
Federal FR #4  
5964

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD  
 Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR  
 [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply  
 [A]  Working, Royalty or Overriding Royalty Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached

RECEIVED  
 2008 OCT 24 PM 2 18

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

CHUCK MORAN Print or Type Name	 Signature	CHIEF LANDMAN Title	10/22/08 Date
		cmoran@ypcnm.com e-mail Address	

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



JOHN A. YATES  
CHAIRMAN OF THE BOARD  
PRESIDENT

DAVID LANNING  
CHIEF OPERATING OFFICER

105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

October 22, 2008

**CERTIFIED MAIL/RETURN RECEIPT**

Mr. Richard Brooks  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Revised - Administrative Application of Yates Petroleum Corporation for Approval of an Unorthodox Gas Well Location, Eddy County New Mexico

Dear Mr. Brooks:

Pursuant to your instructions, Yates Petroleum Corporation hereby re-files its Administrative Application for Unorthodox Oil in accordance with Division General Rule 104.F applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for any and all gas production from its proposed Federal FR #4 to be drilled at an unorthodox gas well with a bottom hole location of 2,170 feet from the South line and 670' feet from the East line (Unit I) of Section 21, Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico. The primary target of the well is the Devonian formation which we anticipate to be oil, and this request is being made to provide alternative zones to complete in if the Devonian formation is unsuccessful. In support of this we state the following:

- 1) Yates Petroleum Corporation is the operator of the proposed Federal FR #4 well will to be drilled from a surface location of 2,620' FSL and 850' FEL and a bottom hole location of 2,170' FSL and 670' FEL in Sec. 21-T16S-R30E, Eddy County, New Mexico which is a legal location for Devonian oil, the primary formation this well is being drilled to test. (See Exhibit #1).
- 2) The reason for surface location being chosen is the Bureau of Land Management has required a move to this location to avoid the sand dunes which are the habitat of Sand Dune Lizard, a species of concern to the BLM.
- 3) The bottom-hole location was chosen because the geologist believes this is the best location to penetrate the reservoir at the highest structural position possible based on 3-D seismic coverage over the feature. (See Exhibit # 2).
- 4) Drilling this well at this location will prevent waste and protect the correlative rights of the owners.
- 5) In the event the Devonian is not capable of commercial production in this well, then Yates intends to test any and all formations up the hole for commercial production that will be at an unorthodox well location for either an E/2, SE/4, and

or NE/4SE/4 spacing units as determined by the Proposed Drilling Prognosis Report attached as Exhibit 3. This report shows which formation will be penetrated at what depth and footage location from the section lines.

- 6) The opportunity to test these other productive formations within the respective spacing unit can most economically be attempted with this wellbore rather than drilling another well to test the Woodford, Chester, Morrow, Atoka, Strawn, Upper Penn or Wolfcamp gas formations which would be developed on a 320 acre E/2 spacing unit, the Abo formation that would be developed on a 160 acre SE/4 spacing unit and/or the Wolfcamp, Glorieta, San Andres and Yates oil formations on NE/4SE/4 spacing unit in Sec. 21-T16S-R30E.
- 7) The ownership of the lease in the E/2 of Sec. 21 is all common and the well will only encroach on this ownership so the affected parties are the owners. (See Exhibit # 4)
- 8) The offset operators whom are encroached on in adjoining and diagonal spacing units to this proposed well are identified on Exhibit #4.
- 9) A copy of this application under cover letter dated this date and shown as Exhibit #5 was mailed concurrently with this application.

Wherefore, Yates Petroleum Corporation requests that this matter be approved administratively by the Division.

Respectfully submitted,

**YATES PETROLEUM CORPORATION**



Chuck Moran  
Chief Landman

Enclosure

EXHIBIT 1

REVISED ADMINISTRATIVE APPLICATION

YATES PETROLEUM CORPORATION'S - FEDERAL FR #4 IN SEC. 21-T16S-R30E

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36536	Pool Code	Pool Name Wildcat Devonian
Property Code	Property Name FEDERAL "FR"	Well Number 4
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3765'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	21	16 S	30 E		2620	SOUTH	850	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	21	16 S	30 E		2170	SOUTH	670	EAST	EDDY

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>SURFACE LOCATION</b> Lat - N32°54'25.35" Long - W103°58'16.18" SPC- N.: 693895.393 E.: 652490.079 (NAD-83)</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
		<p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p><b>BOTTOM HOLE LOCATION</b> Lat - N32°54'20.78" Long - W103°58'14.04" SPC- N.: 693445.945 E.: 652672.022 (NAD-83)</p>		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p>
		<p>Date Surveyed JULY 09, 2008</p> <p>Signature _____ Professional Seal _____ 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

**EXHIBIT 2**  
**REVISED ADMINISTRATIVE APPLICATION**  
**YATES PETROLEUM CORPORATION'S – FEDERAL FR #4 IN SEC. 21-T16S-R30E**

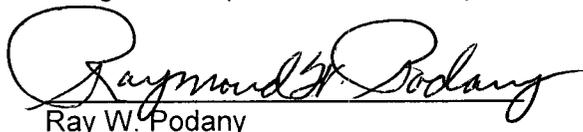
**Federal FR#4 Devonian/ Atoka Morrow Prospect**

Federal FR #4 prospect is located in the E/2 of T16S-R30E Sections 21 Eddy County, New Mexico.

Primary deep objective is the 3-D Seismically defined structure of the Devonian Formation. Seismic mapping on the Devonian indicates closure on a small structure off a main regional plunging nose that extends for several Townships down into Lea County. On the north end of this feature is the Little Lucky Lake Field that serves as an analogy field for Devonian production with many wells also producing from the of Pennsylvanian Morrow (Atoka) Formation. Due to surface environmental sensitivities this well will be directionally drilled to target the main Devonian reservoir. Several shallower horizons that may primarily be gas will therefore may be non- standard if encountered. The Atoka and Morrow produce 1 mile to the east with high liquid production.

The Atoka Formation in Gruy/Cimarex Henshaw 15-1Y produced 70 MBO and 583 mmcf in a little over a year and the Shifting Sands well from an equivalent sand but called Morrow(Penn) on the production plot with an increasing rate shown. These wells in section 14, 15 and 23 provide the deep mapping control for this net sand thickness that is projected through the prospect location.

The Wolfcamp production is established to the east in a general trend that is north-south parallel to the axis of the structural nose. Recently COG completed a Yeso Oil well in section 16 but being new no production data reported.



Ray W. Podany  
Geologist – Yates Petroleum Corporation

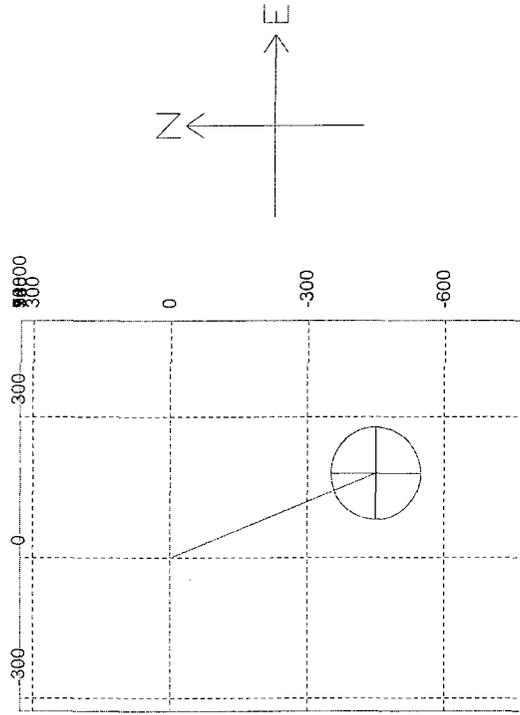
**Exhibit 3**  
**REVISED ADMINISTRATIVE APPLICATION**  
**YATES PETROLEUM CORPORATION**

M.I.D.	Inclination	Azimuth	T.V.D.	N/S	E/W	D/S	Trueface	T.F. Ref. (HS/GN)	Formation (top)
1,350	0	0	1,350	0	0	0			YATES
2,900	0	0	2,900	0	0	0			SAN ANDRES
4,350	0	0	4,350	0	0	0			GLORIETA
6,330	0	0	6,330	0	0	0			ABO
7,700	0	0	7,700	0	0	0			WOLFCAMP
8540	0	0	8540	0	0	3	158	GN	KOP
8550	0.3	158.2	8550	-0.02	0.01	3	0	HS	
8575	1.05	158.2	8575	-0.3	0.12	3	360	HS	
8600	1.8	158.2	8599.99	-0.88	0.35	3	360	HS	
8625	2.55	158.2	8624.97	-1.76	0.7	3	360	HS	
8650	3.3	158.2	8649.94	-2.94	1.18	3	360	HS	
8675	4.05	158.2	8674.89	-4.43	1.77	3	0	HS	
8700	4.8	158.2	8700	-6.22	2.49	3	360	HS	PENNSYLVANIAN UPPER
8725	5.55	158.2	8724.71	-8.31	3.33	3	0	HS	
8750	6.3	158.2	8749.58	-10.71	4.28	3	360	HS	
8775	7.05	158.2	8774.41	-13.41	5.36	3	360	HS	
8800	7.8	158.2	8799.2	-16.41	6.56	3	0	HS	
8825	8.55	158.2	8823.94	-19.71	7.88	3	360	HS	
8850	9.3	158.2	8848.64	-23.31	9.32	3	0	HS	
8875	10.05	158.2	8873.28	-27.21	10.88	3	360	HS	
8900	10.8	158.2	8897.87	-31.41	12.56	3	360	HS	
8925	11.55	158.2	8922.4	-35.91	14.36	3	0	HS	
8950	12.3	158.2	8946.86	-40.7	16.28	3	0	HS	
8975	13.05	158.2	8971.25	-45.8	18.32	3	360	HS	
9000	13.8	158.2	8995.56	-51.19	20.47	3	0	HS	
9025	14.55	158.2	9019.8	-56.87	22.75	3	360	HS	
9050	15.3	158.2	9043.96	-62.85	25.14	3	360	HS	
9075	16.05	158.2	9068.03	-69.12	27.65	3	0	HS	
9100	16.8	158.2	9092.01	-75.68	30.27	3	360	HS	
9125	17.55	158.2	9115.9	-82.54	33.02	3	360	HS	
9150	18.3	158.2	9139.68	-89.68	35.87	3	360	HS	
9175	19.05	158.2	9163.37	-97.11	38.85	3	0	HS	
9200	19.8	158.2	9186.94	-104.83	41.93	3	360	HS	
9225	20.55	158.2	9210.41	-112.84	45.14	3	0	HS	
9250	21.3	158.2	9233.76	-121.13	48.45	3	360	HS	
9275	22.05	158.2	9256.99	-129.7	51.88	3	0	HS	
9300	22.8	158.2	9280.1	-138.56	55.42	3	0	HS	
9325	23.55	158.2	9303.08	-147.69	59.08	3	360	HS	
9350	24.3	158.2	9325.93	-157.11	62.84	3	360	HS	
9375	25.05	158.2	9348.65	-166.8	66.72	3	360	HS	
9391.37	25.54	158.2	9363.46	-173.29	69.32	0			
9649.71	25.54	158.2	9596.55	-276.71	110.68	0			
9650	25.53	158.2	9596.81	-276.82	110.73	3	180	HS	
9675	24.78	158.2	9619.44	-286.69	114.68	3	180	HS	
9700	24.03	158.2	9642.2	-296.28	118.51	3	180	HS	
9725	23.28	158.2	9665.1	-305.6	122.24	3	180	HS	
9750	22.53	158.2	9688.13	-314.63	125.85	3	180	HS	
9775	21.78	158.2	9711.28	-323.39	129.36	3	180	HS	
9800	21.03	158.2	9734.56	-331.86	132.74	3	180	HS	
9825	20.28	158.2	9757.95	-340.05	136.02	3	180	HS	
9850	19.53	158.2	9781.45	-347.95	139.18	3	180	HS	
9875	18.78	158.2	9805.07	-355.57	142.23	3	180	HS	
9900	18.03	158.2	9828.79	-362.9	145.16	3	180	HS	
9925	17.28	158.2	9852.61	-369.94	147.98	3	180	HS	
9950	16.53	158.2	9876.53	-376.69	150.68	3	180	HS	
9975	15.78	158.2	9900.54	-383.15	153.26	3	180	HS	
10000	15.03	158.2	9924.65	-389.32	155.73	3	180	HS	
10025	14.28	158.2	9948.83	-395.19	158.08	3	180	HS	
10050	13.53	158.2	9973.1	-400.77	160.31	3	180	HS	
10075	12.78	158.2	9997.44	-406.05	162.42	3	180	HS	
10100	12.03	158.2	10021.86	-411.04	164.42	3	180	HS	
10125	11.28	158.2	10046.34	-415.73	166.29	3	180	HS	
10150	10.53	158.2	10070.89	-420.12	168.05	3	180	HS	STRAWN
10175	9.78	158.2	10095.5	-424.22	169.69	3	180	HS	
10200	9.03	158.2	10120.16	-428.01	171.2	3	180	HS	
10225	8.28	158.2	10144.88	-431.51	172.6	3	180	HS	
10250	7.53	158.2	10169.64	-434.7	173.88	3	180	HS	
10275	6.78	158.2	10194.44	-437.59	175.04	3	180	HS	
10300	6.03	158.2	10219.29	-440.18	176.07	3	180	HS	
10325	5.28	158.2	10244.17	-442.47	176.99	3	180	HS	
10350	4.53	158.2	10269.07	-444.46	177.78	3	180	HS	
10375	3.78	158.2	10294.01	-446.14	178.46	3	180	HS	
10400	3.03	158.2	10318.96	-447.52	179.01	3	180	HS	
10425	2.28	158.2	10343.94	-448.59	179.44	3	180	HS	
10450	1.53	158.2	10368.92	-449.37	179.75	3	180	HS	
10475	0.79	158.2	10393.92	-449.84	179.93	3	180	HS	
10500	0.08	158.21	10418.92	-450	180	3	338	GN	
10501.08	0.07	162.27	10420	-450	180	0			ATOKA
10621.08	0	180	10540	-450	180	0			MORROW CLASTIC
10721.08	0	180	10640	-450	180	0			MORROW LOWER
10781.08	0	180	10700	-450	180	0			CHESTER /LM/
11491.08	0	180	11410	-450	180	0			WOODFORD /SH/
11531.08	0	180	11450	-450	180	0			DEVONIAN
12181.08	0	180	12100	-450	180	0			TD

Penetration point for potential producing zone will be 2170' FSL & 670' FEL, Section 21, 16S-30E

Exhibit 3  
REVISED ADMINISTRATIVE APPLICATION  
YATES PETROLEUM CORPORATION

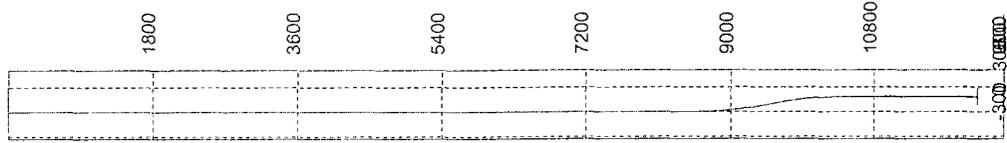
3D<sup>3</sup> Directional Drilling Planner - 3D View



Company: Yates Petroleum Corporation  
Well: Federal FR #4

Exhibit 3  
REVISED ADMINISTRATIVE APPLICATION  
YATES PETROLEUM CORPORATION

3D<sup>3</sup> Directional Drilling Planner - 3D View



Company: Yates Petroleum Corporation  
Well: Federal FR #4

**EXHIBIT 4**  
**REVISED ADMINISTRATIVE APPLICATION**  
**YATES PETROLEUM CORPORATION'S – FEDERAL FR #4 IN SEC. 21-T16S-R30E**

**Affected Persons**

**Township 16 South - Range 30 East, NMPM**

**Section 21: E/2**

**Eddy County, New Mexico**

Operator: Yates Petroleum Corporation

Lease: NM- 0559535

Working Interest Owners:

Yates Petroleum Corporation, 105 South 4<sup>th</sup> Street, Artesia, NM 88210

Pitch Energy Corporation, P. O. Box 304, Artesia, NM 88211-0304  
J. Cleo Thompson and James Cleo Thompson, Jr., L.P. a Texas limited  
partnership  
325 N. St. Paul, Suite 4300  
Dallas, TX 75201-3993

**Township 16 South - Range 30 East, NMPM**

**Section 21: W/2**

**Eddy County, New Mexico**

Operator: J. M. Huber Corporation

Lease: NM- 0559535

Working Interest Owners:

Yates Petroleum Corporation  
Pitch Energy Corporation  
J. M. Huber Corporation, 1050 17<sup>th</sup> Street, Denver, CO 80262

**Township 16 South - Range 30 East, NMPM**

**Section 22: N/2, SW/4, SE/4**

**Eddy County, New Mexico**

Lease: LC-069641 (NE/4NW/4, NW/4NE/4)  
NM-012129 (SE/4NW/4, SW/4)  
NM-012764 (W/2NW)  
NM- 560378 (E/2NE/4)  
B0-2884 (SW/4NE/4)

Working Interest Owners:

Trigg Oil & Gas, LP, P. O. Box 520, Roswell, NM 88202  
Chesapeake Exploration LP, P. O. Box 18496, Oklahoma City, OK 73102  
Geodyne Nominee Corp., 320 S. Boston Ave., Tulsa, OK 74103  
Magnum Hunter Production, 508 W. Wall St. #600, Midland, TX 79701  
Merit Energy Partners, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners II, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners III, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners VII, 13727 Noel Road #500, Dallas, TX 75204  
Merit Management Partners I LP, 13727 Noel Road #500, Dallas, TX 75204

**EXHIBIT 4**  
**REVISED ADMINISTRATIVE APPLICATION**  
**YATES PETROLEUM CORPORATION'S – FEDERAL FR #4 IN SEC. 21-T16S-R30E**

Nordstrand Eng Inc., 905 Kirby, Houston TX 77019-1505  
Rubicon Oil & Gas II LP, 508 W. Wall Ave #550, Midland, TX 79701  
Saga Petroleum LTD, 200 N. Loraine St #1300, Midland TX 79701-4779

Devon Energy Production Company, LP, 20 N. Broadway, Oklahoma City, OK 73102  
HJ Ledbetter Trust, 10988 HWY 227 South, Abilene, TX 79606  
Lothian Oil Inc. 303 W. Wall #500, Midland, TX 79701  
MNA Enterprises LTD. Co., 102 W. Alabama, Hobbs, NM 88242  
Jim Pierce, 200 W. 1<sup>st</sup> Street CT #859, Roswell, NM 88201

ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005  
Dianne Chase, P.O. Box 693, Artesia, NM 88210-0693  
Chase Oil Corp., P. O. Box 1767, Artesia, NM 88211-1767  
Richard L. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Robert C. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Mack C. Chase Trustee, P. O. Box 1767, Artesia, NM 88211-1767  
Lothian Oil Inc., 303 W. Wall #500, Midland, TX 79701

BP America Production Company, P. O. Box 3092, Houston, TX 77253  
ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005  
Dianne Chase, P.O. Box 693, Artesia, NM 88210-0693  
Chase Oil Corp., P. O. Box 1767, Artesia, NM 88211-1767  
Richard L. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Robert C. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Mack C. Chase Trustee, P. O. Box 1767, Artesia, NM 88211-1767  
COG Oil & Gas, L.P., 550 West Texas Avenue, Suite 1300, Midland, TX 79701

ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005

EXHIBIT 5 - REVISED ADMINISTRATIVE APPLICATION  
YATES PETROLEUM CORPORATION'S - FEDERAL FR #4 IN SEC. 21-T16S-R30E Notice Letter

MARTIN YATES, III  
1912-1985  
FRANK W. YATES  
1936-1986  
S.P. YATES  
1914-2008



JOHN A. YATES  
CHAIRMAN OF THE BOARD  
PRESIDENT  
DAVID LANNING  
CHIEF OPERATING OFFICER

105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

October 22, 2008

CERTIFIED MAIL/RETURN RECEIPT

Affected Persons  
Address List Attached:

Re: Revised - Administrative Application of Yates Petroleum Corporation for  
Approval of an Unorthodox Gas Well Location, Federal FR #4 in E/2 of  
Sec. 21-T16S-R30E, Eddy County New Mexico

Dear Sir or Madam:

This will advise that Yates Petroleum Corporation (YPC) has filed an Administrative Application with the New Mexico Oil conservation Division for an order approving an Unorthodox well location for its proposed Federal FR #4 well will to be drilled from a surface location of 2,620' FSL and 850' FEL and a bottom hole location of 2,170' FSL and 670' FEL in Sec. 21-T16S-R30E, Eddy County, New Mexico. The location is located approximately 6.5 miles north of Loco Hills, New Mexico.

I have enclosed for your review a copy of the application we mailed concurrently this date by Certified Mail Return Receipt to the New Mexico Oil Conservation Division. This letter is to advise you that if you have an objection to this application it must be filed in writing within 20 days from the date the Division receives the application.

If you have any questions, I may be contacted at 575-748-4349.

Sincerely,

YATES PETROLEUM CORPORATION

Chuck Moran  
Chief Landman

I/We waive objection to Yates Petroleum Corporation's Administrative Application with the New Mexico Oil conservation Division for an order approving an Unorthodox well location for its proposed Federal FR #4 well will to be drilled from a surface location of 2,620' FSL and 850' FEL and a bottom hole location of 2,170' FSL and 670' FEL in Sec. 21-T16S-R30E, Eddy County, New Mexico.

Name: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**Affected Persons**  
**Federal FR #4**  
**Sec. 21-T16S-R30E**

**Township 16 South - Range 30 East, NMPM**

**Section 21: E/2**

**Eddy County, New Mexico**

Yates Petroleum Corporation, 105 South 4<sup>th</sup> Street, Artesia, NM 88210  
Pitch Energy Corporation, P. O. Box 304, Artesia, NM 88211-0304  
J. Cleo Thompson and James Cleo Thompson, Jr., L.P. a Texas limited partnership, 325 N. St. Paul,  
Suite 4300, Dallas, TX 75201-3993

**Township 16 South - Range 30 East, NMPM**

**Section 21: W/2**

**Eddy County, New Mexico**

Yates Petroleum Corporation  
Pitch Energy Corporation  
J. M. Huber Corporation, 1050 17<sup>th</sup> Street, Denver, CO 80262

**Township 16 South - Range 30 East, NMPM**

**Section 22: N/2, SW/4, SE/4**

**Eddy County, New Mexico**

Lease: LC-069641 (NE/4NW/4, NW/4NE/4)  
NM-012129 (SE/4NW/4, SW/4)  
NM-012764 (W/2NW)  
NM- 560378 (E/2NE/4)  
B0-2884 (SW/4NE/4)

**Working Interest Owners:**

Trigg Oil & Gas, LP, P. O. Box 520, Roswell, NM 88202  
Chesapeake Exploration LP, P. O. Box 18496, Oklahoma City, OK 73102  
Geodyne Nominee Corp., 320 S. Boston Ave., Tulsa, OK 74103  
Magnum Hunter Production, 508 W. Wall St. #600, Midland, TX 79701  
Merit Energy Partners, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners II, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners III, 13727 Noel Road #500, Dallas, TX 75204  
Merit Energy Partners VII, 13727 Noel Road #500, Dallas, TX 75204  
Merit Management Partners I LP, 13727 Noel Road #500, Dallas, TX 75204  
Nordstrand Eng Inc., 905 Kirby, Houston TX 77019-1505  
Rubicon Oil & Gas II LP, 508 W. Wall Ave #550, Midland, TX 79701  
Saga Petroleum LTD, 200 N. Loraine St #1300, Midland TX 79701-4779

Devon Energy Production Company, LP, 20 N. Broadway, Oklahoma City, OK 73102  
HJ Ledbetter Trust, 10988 HWY 227 South, Abilene, TX 79606  
Lothian Oil Inc. 303 W. Wall #500, Midland, TX 79701  
MNA Enterprises LTD. Co., 102 W. Alabama, Hobbs, NM 88242  
Jim Pierce, 200 W. 1<sup>st</sup> Street CT #859, Roswell, NM 88201

ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005  
Dianne Chase, P.O. Box 693, Artesia, NM 88210-0693  
Chase Oil Corp., P. O. Box 1767, Artesia, NM 88211-1767  
Richard L. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Robert C. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Mack C. Chase Trustee, P. O. Box 1767, Artesia, NM 88211-1767  
Lothian Oil Inc., 303 W. Wall #500, Midland, TX 79701

BP America Production Company, P. O. Box 3092, Houston, TX 77253  
ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005  
Dianne Chase, P.O. Box 693, Artesia, NM 88210-0693  
Chase Oil Corp., P. O. Box 1767, Artesia, NM 88211-1767  
Richard L. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Robert C. Chase, P. O. Box 1767, Artesia, NM 88211-1767  
Mack C. Chase Trustee, P. O. Box 1767, Artesia, NM 88211-1767  
COG Oil & Gas, L.P., 550 West Texas Avenue, Suite 1300, Midland, TX 79701

ConocoPhillips Company, P.O. Box 7500, Bartlesville, OK 74005