

~~ELK OIL COMPANY~~

BOX 310

ROSWELL, NEW MEXICO 88202

(505) 623-3190
October 12, 1998

JOSEPH J. KELLY
PRESIDENT

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

Attn: Michael Stogner

Re: Unorthodox location
Jan State #3
660 FNL, 1650 FEL
Section 36, T-8S, R-26E
Chaves County, New Mexico

Gentlemen:

Elk Oil Company respectfully requests an administrative approval for an unorthodox location as provided for under NMOCD Rule 104F.

Our location for the Jan State #3 is 660 FNL and 1650 FEL to be drilled to Pennsylvanian formation in the Foor Ranch Pre-Permian field. The current proration unit has the Jan State #2, drilled to the Pre-Mississippian dolomite, thus, the Jan State #3 is unorthodox. Therefore Elk requests that the W1/2 of Section 36 be dedicated to Jan State #3.

Enclosed is a copy of the lease map showing the proposed units and offset operator, and copies of C-102. Yates Petroleum, offset operator, has agreed to our unorthodox locations. Yates has sent copies to NMOCD of their waivers.

Yours very truly,

ELK OIL COMPANY

Joseph J. Kelly
President

JJK/rm
Encl.

District I
 PO Box 1900, Hobbs, NM 88241-1900
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number		' Pool Code		' Pool Name North Foor Ranch	
' Property Code		Jan State		' Property Name	
' OGRID No.		Elk Oil		' Operator Name	
				' Well Number #3	
				' Elevation 3946	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	36	8S	26E		660	North	1650	East	Chaves

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedica d Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
	ELK OIL COMPANY	
	Signature: <i>Joseph J. Kelly</i> Printed Name: Joseph J. Kelly Title: President Date: September 14, 1998	
¹⁸ SURVEYOR CERTIFICATION	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.	
	Date of Survey: 9-14-98	
	Signature and Seal of Professional Surveyor: 	
	Certificate Number	

ELK OIL COMPANY

BOX 310

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(505) 623-3190
October 7, 1998

JOSEPH J. KELLY
PRESIDENT

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

Attn: Michael Stogner

Re: Application for Unorthodox location for
Jan State #3
660 FNL, 1650 FEL
Section 36, T-8S, R-26E
Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation, as an offset operator, has been advised of Elk Oil Company's intent to drill the above referenced well at a location 660 FNL, 1650 FEL of Section 36, T-8S, R-26E, Chaves County, New Mexico.

This letter is to advise that Yates Petroleum Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Yours Very truly,

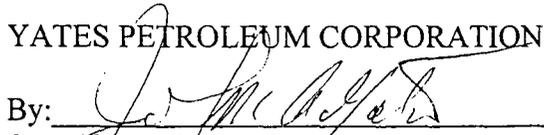
ELK OIL COMPANY



Joseph J. Kelly
President

JJK/rm

YATES PETROLEUM CORPORATION

By: 
Date Signed: October 8, 1998

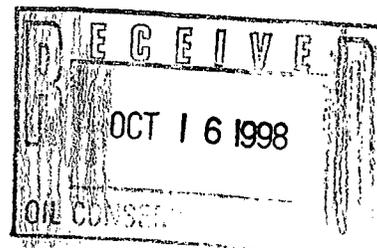
ELK OIL COMPANY

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October 12, 1998

JOSEPH J. KELLY
PRESIDENT



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

Attn: Michael Stogner

Re: Unorthodox location
Jan State #2
990 FNL, 2130 FWL
Section 36, T-8S, R-26E
Chaves County, New Mexico

Gentlemen:

Elk Oil Company respectfully requests an administrative approval for an unorthodox location as provided for under NMOCD Rule 104F.

Our well the Jan State #2 is currently producing from the Pre-Mississippian dolomite. Elk has proposed to drill the Jan State #3, to the Pennsylvanian formation, both wells are orthodox to the N/2 of Section 36.

Elk requests that the Jan State #2 located 990 FNL, 2130 FWL, be granted an unorthodox location dedicating the W/2 of Section 36.

Yates Petroleum, offset operator, has agreed to our unorthodox locations, copy of waiver enclosed. Yates has sent copies to NMOCD of their waivers.

Yours very truly,

ELK OIL COMPANY

Joseph J. Kelly
President

JJK/rm
Encl.

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
PO Drawer DD, Artesia, NM 88211-0719
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Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name <i>Foor Ranch Pre Permian</i>	
Property Code	Jan State			Property Name	Well Number 2
GRID No. 007147	Elk Oil			Operator Name	Elevation 3947

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	8S.	26E		990	North	2130	West	Chaves

11 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

11 Dedicate Acres 320	12 Joint or Infill	13 Consolidation Code	14 Order No.
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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>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>ELK OIL COMPANY</p> <p><i>[Signature]</i> Signature Joseph J. Kelly Printed Name President Title May 21, 1996 Date</p>	
	<p>18 SURVEYOR CERTIFICATION</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>05/15/96 Date of Survey Signature and Seal of Professional Surveyor: <i>[Signature]</i> REGISTERED PROFESSIONAL LAND SURVEYOR Certificate Number</p>	
	<p>Certificate Number</p>	

ELK OIL COMPANY

BOX 310

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(505) 623-3190
October 7, 1998

JOSEPH J. KELLY
PRESIDENT

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

Attn: Michael Stogner

Re: Application for Unorthodox location for
Jan State #2
Section 36, T-8S, R-26E
Chaves County, New Mexico

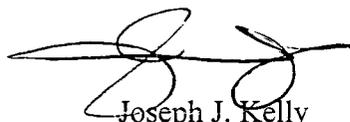
Gentlemen:

Yates Petroleum Corporation, as an offset operator, has been advised of Elk Oil Company's intent to re-dedicate its Jan State #2 proration unit to the W1/2 of Section 36, T-8S, R-26E, Chaves County, New Mexico.

This letter is to advise that Yates Petroleum Corporation has no objection to the granting of the re-dedication of proration unit and hereby waives objection and notice of hearing on this application.

Yours Very truly,

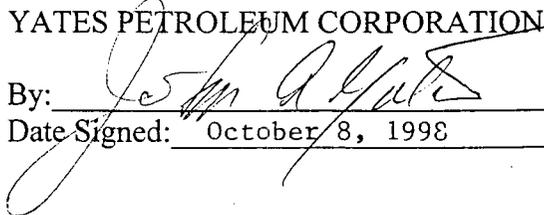
ELK OIL COMPANY



Joseph J. Kelly
President

JJK/rm

YATES PETROLEUM CORPORATION

By: 

Date Signed: October 8, 1998

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 9, 1998

OCT 12 1998

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Michael Stogner

Re: Jan State #2
Jan State #3
Section 36, T8S-R26E
Chaves County, New Mexico

Dear Mr. Stogner:

Enclosed are executed letters waiving objection to granting of unorthodox location to Elk Oil Company listed above.

Should you require anything further, please do not hesitate to contact me.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read 'Randy G. Patterson', written over a horizontal line.

Randy G. Patterson
Land Manager

RGP/mw

Enclosures

ELK OIL COMPANY

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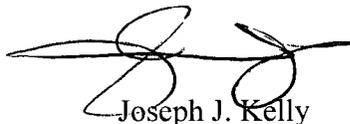
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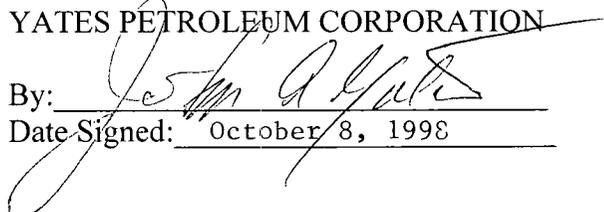
ELK OIL COMPANY



Joseph J. Kelly
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By: 

Date Signed: October 8, 1998

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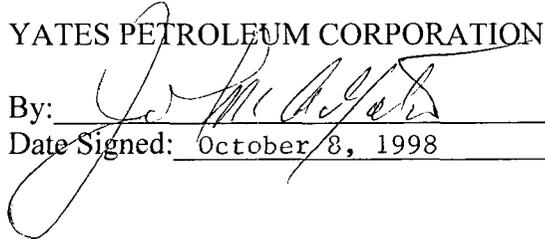
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Date Signed: October 8, 1998

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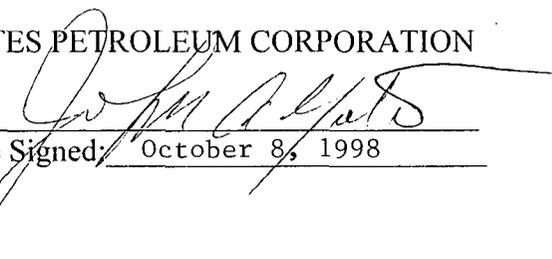
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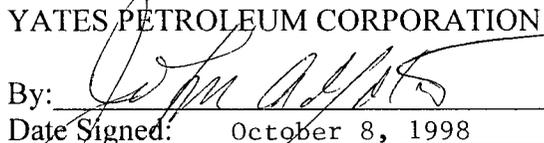
ELK OIL COMPANY



Joseph J. Kelly
President

JJK/rm

YATES PETROLEUM CORPORATION

By: 
Date Signed: October 8, 1998

CMD :
OG6CLOG

ONGARD
C105-WELL COMPLETION OR RECOMP CASING LOG

10/19/98 10:30:19
OGOIV -EMDM

OGRID Identifier : 7147 ELK OIL CO
Prop Identifier : 3971 JAN STATE
API Well Identifier : 30 5 63178 Well No : 003
Surface Locn - UL : B Sec : 36 Twp : 08S Range : 26E Lot Idn :
Multiple comp (S/M/C): N TVD Depth (Feet) : MVD Depth (Feet):
Spud Date : P/A Date :
Casing/Linear Record:

S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC ----
(inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

E0042: Record not found; Authority denied to ADD/MODIFY

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

10/19/98 10:30:29
OGOIV -EMDM

OGRID Idn : 7147 API Well No: 30 5 63178 APD Status(A/C/P): A
Opr Name, Addr: ELK OIL CO Aprvl/Cncl Date : 10-09-1998
PO BOX 310
ROSWELL,NM 88201

Prop Idn: 3971 JAN STATE Well No: 3

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----
Surface Locn :	B	36	08S	26E		FTG 660 F N	FTG 1650 F E
OCD U/L :	B		API County :	5			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3946

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 6500 Prpsd Frmtn : PENN

E7024: Only view is allowed

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/19/98 10:30:18
OGOIV -EMDM
PAGE NO: 1

Sec : 36 Twp : 08S Rng : 26E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
CS	CS	CS	CS
LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90
ELK OIL CO	ELK OIL CO	ELK OIL CO	ELK OIL CO
	A	A	
E	F	G	H
40.00	40.00	40.00	40.00
CS	CS	CS	CS
LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90
ELK OIL CO	ELK OIL CO	ELK OIL CO	ELK OIL CO

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/19/98 10:30:40
OGOIV -EMDM
PAGE NO: 2

Sec : 36 Twp : 08S Rng : 26E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
CS	CS	CS	CS
LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90
ELK OIL CO	ELK OIL CO	ELK OIL CO	ELK OIL CO
	A		
M	N	O	P
40.00	40.00	40.00	40.00
CS	CS	CS	CS
LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90	LG7983 0001 03/90
ELK OIL CO	ELK OIL CO	ELK OIL CO	ELK OIL CO

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

10/19/98 10:31:54
OGOIV -EMDM
Page No: 1

OGRID Identifier : 7147 ELK OIL CO
Pool Identifier : 76730 FOOR RANCH;PRE PERMIAN (GAS)
API Well No : 30 5 62763 Report Period - From : 01 1998 To : 10 1998

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes			Well Water Stat
			Gas	Oil		
30	5 62763 JAN STATE	01 98			S	
30	5 62763 JAN STATE	02 98			S	
30	5 62763 JAN STATE	03 98			S	
30	5 62763 JAN STATE	04 98			S	
30	5 62763 JAN STATE	05 98			S	

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12