



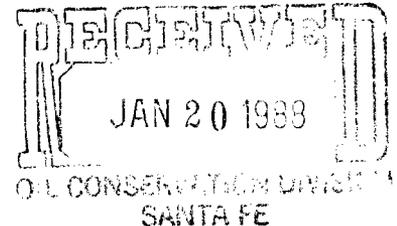
S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

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

ATTENTION: Mr. William LeMay



RE: Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

Dear Sir:

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

The reason for requesting this non-standard location is topographic. Our preferred location was 2100' FNL and 1400' FEL of Section 3-T21S-R25E, but due to the proximity of the Brantley Dam Project on our lease, we chose the non-standard location of 1882' FNL and 1650' FEL as this was the best location to drill the captioned well as it is flat in this area. The Bureau of Reclamation would not accept this location, as we were still too close to the Brantley Dam Project. We chose the non-standard location of 1960' FNL and 1550' FEL of Section 3-T21S-R25E with the approval of the Bureau of Reclamation.

Enclosed please find a copy of the lease map showing the offsetting lease operators, a topographic map of the area and a survey plat and a copy of my cover letter dated December 1, 1987, where I had applied for the first non-standard location approval. Offsetting lease operators have been notified of our intentions by certified mail, via a xerox copy of this letter.

Formations that we expect to drill through are: Delaware Sandstone, Bone Springs Limestone, 3rd Bone Springs Sandstone, Wolfcamp, Canyon Dolomite, Strawn, Atoka, Morrow and Chester Shale. Our expected total depth is 10500'.

New Mexico Oil Conservation Division

January 19, 1988

Page 2:

We respectfully ask for expeditious approval of this non-standard location, as we have to be drilling across January 31, 1988.

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

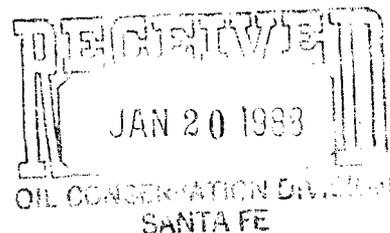
Rusty Jernigan

Rusty Jernigan
Regulatory Secretary

ry

Enclosures

cc: See Attached



SPRINGS AEU FEDERAL COM #1

Mr. Mike Stogner
Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

✓ Conoco, Inc.
P. O. Box 460
Hobbs, NM 88240
ATTN: Mr. R. E. Irelan

↓ Mark D. Wilson
110 W. Louisiana, Suite 460
Midland, TX 79701

↓ Woods Petroleum
Suite 700
One Lakeview Energy Center
3817 NW Expressway
Oklahoma City, OK 73112
ATTN: Steven Herman

↓ Enron Oil and Gas Company
Box 2267
Midland, TX 79702
ATTN: Mr. Craig Duke

✓ Cities Service Oil & Gas Corp. New
Box 1919
Midland, TX 79702
ATTN: Mr. A. E. Taylor

✓ Chevron USA, Inc.
Box 1150
Midland, TX 79702
ATTN: Mr. Steve Burke

✓ Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762
ATTN: P. K. Crawford

✓ Harmon Operating Company
Box 5025
Midland, TX 79704-5025
ATTN: B. W. Cozart

↓ Dan A. Daugherty
1974 A & M Avenue
San Angelo, TX 76901

✓ Joan K. Lieberman
9300 North Lake Drive
Milwaukee, WI 53217

*(Cedron oil & gas
Alvin Calleno)*

RECEIVED
JAN 20 1983
OIL CONSERVATION DIVISION
SANTA FE

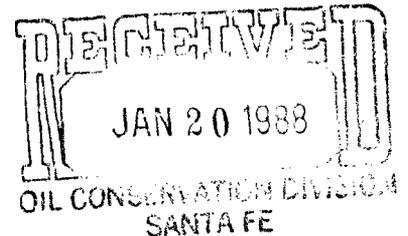


S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

New Mexico Oil Conservation Division
318 Old Santa Fe Trail
Room 206
Santa Fe, NM 87501



ATTENTION: Mr. Mike Stogner

RE: Non-Standard Location
Springs AEU Federal Com #1
Section 3-T21S-R25E
Eddy County, New Mexico

Dear Mike:

I am enclosing all of the information on the captioned that I warned you was coming.

I am also sending back all of the information on the non-standard proration unit that you had returned to me. The proration unit will be the same, even tho the location moved. We do still need this approved.

You will notice that I notified all of the off-set operators by Federal Express rather than certified mail. I thought that this might give us a little extra time.

Please keep in mind that we need to be drilling over January 31st. I realize that this is going to be tough to get approved by then, but just maybe we can do it. I will keep in touch with you to see how it is progressing.

Mike, I really do appreciate all the help that you have given me with this. If you have any questions, please call me.

Thanks again.

Very truly yours,

YATES PETROLEUM CORPORATION


Rusty Jernigan
Regulatory Secretary

rj

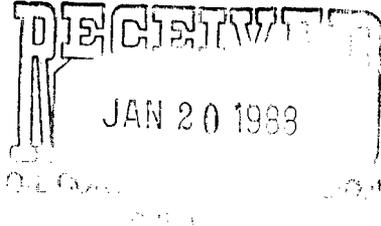
Enclosures



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

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

Signature

Title

Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Mark D. Wilson, has no objections to the unorthodox location for the well listed above.

Signature

Title

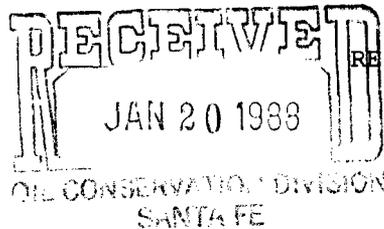
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



RE: Non-Standard Location for
Springs AEU Federal Com #1
1950' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Woods Petroleum, has no objections to the unorthodox location for the well listed above.

Signature

Title

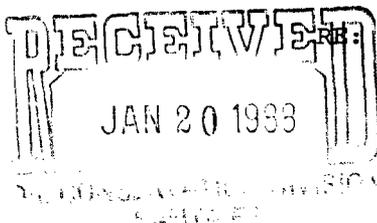
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Enron Oil and Gas Company, has no objections to the unorthodox location for the well listed above.

Signature

Title

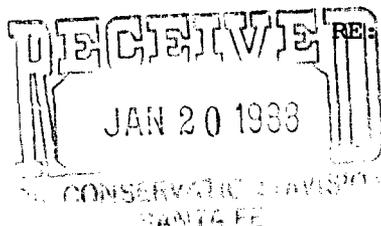
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Cities Service Oil and Gas Company, has no objections to the unorthodox location for the well listed above.

Signature

Title

Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

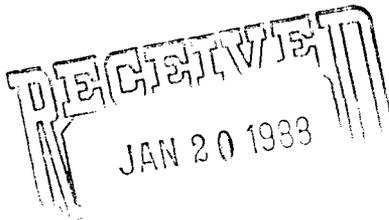
RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Chevron USA, Inc., has no objections to the unorthodox location for the well listed above.



Signature

Title

Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

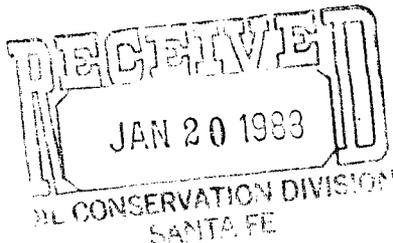
RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Phillips Petroleum Company, has no objections to the unorthodox location for the well listed above.



Signature

Title

Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

JAN 20 1988
OIL CONSERVATION DIVISION
SANTA FE

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

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

Signature

Title

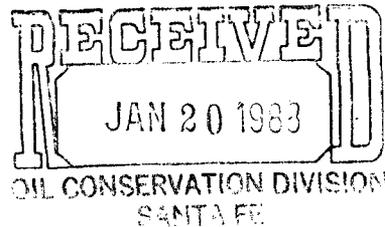
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Dan A. Daugherty, has no objections to the unorthodox location for the well listed above.

Signature

Title

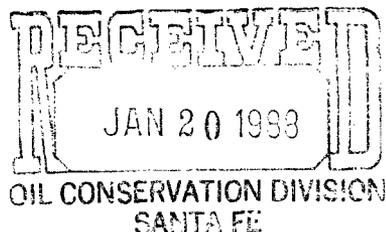
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988



RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Joan K. Lieberman, has no objections to the unorthodox location for the well listed above.

Signature

Title

Date



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

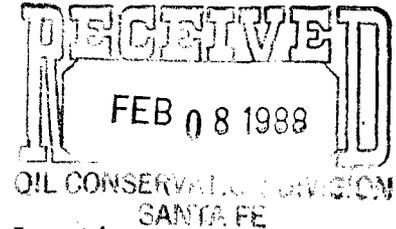
TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC..TREAS.

February 3, 1988

Caprock Oil and Gas
P. O. Box 828
850 East Broadway
Andrews, TX 79714

ATTENTION: Mr. Alvin Collins



RE: Non-Standard Location
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

Dear Mr. Collins:

In trying to get the Oil Conservation Division to approve the above captioned non-standard location, I was in contact with Mr. Larry Smith of Hamon Operating Company in Dallas, Texas. He advised me that Caprock Oil and Gas had bought Hamon Operating out in the area of our location.

Enclosed you will find copies of my letter to the Oil Conservation Division, a copy of the survey plat, a topographic map showing the location and a lease map showing the offset operators. Also enclosed is a waiver to be signed stating that you have no objections to the proposed non-standard location.

This well is already drilling, as I received verbal permission from the Oil Conservation Division to begin drilling activities, as our lease expired on January 31, 1988. They will not issue an order number until all the waivers have been received or until the 30 day time period is up. Mr. Collins, your waiver is the only one that they have not received. I would appreciate it, if you have no objections, if you would return the waiver as soon as possible after receiving it.

Should you have any questions regarding this matter, please do not hesitate to call.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Rusty Jernigan
Rusty Jernigan
Regulatory Secretary

P 728 603 562

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to Caprock Oil and Gas	
Street and No. P. O. Box 828	
P.O. State and ZIP Code Andrews, TX 79714	
Message	Alvin Collins S
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	S
Postmark or Date February 3, 1988 Springs AEU Fed Com #1 NSL	

PS Form 3800, June 1985

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to, and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)†

3. Article Addressed to: Caprock Oil and Gas P. O. Box 828 Andrews, TX 79714 Mr. Alvin Collins	4. Article Number P 728 603 562
5. Signature - <i>Alvin Collins</i> X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 2/4/88	8. Addressee's Address (ONLY if requested and fee paid) Springs AEU Fed Com #1 NSL <i>Lewis</i>

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

February 3, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Caprock Oil and Gas, has no objections to the unorthodox location for the well listed above.



Signature



Title



Date

CAPROCK OIL & GAS, INC.

P.O. BOX 828
ANDREWS, TEXAS 79714
OFFICE: 915-523-6245



**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 Springs AEU Federal Comm		Well No. 1
Unit Letter G (lot 7)	Section 3	Township 21 South	Range 25 East	County Eddy County, N.M.	
Actual Footage Location of Well: 1960 feet from the North line and 1550 feet from the East line					
Ground Level Elev. 3306.	Producing Formation MORROW		Pool UNDESIGNATED SPRING MIRROR	Dedicated Acreage: 276.21 Acres	

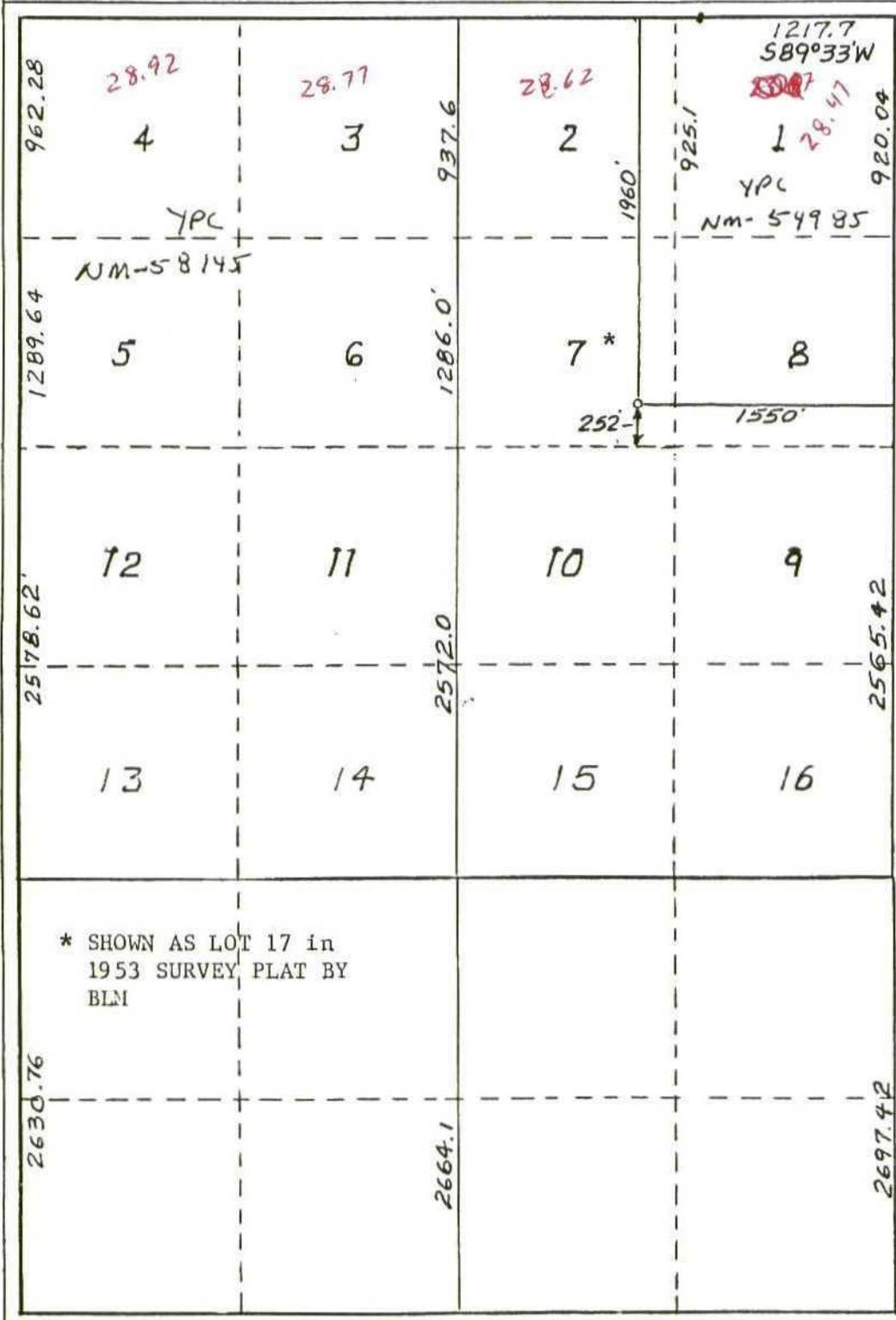
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. *274.78 acres more or less*
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease 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 **TO BE COMMUNITIZED**

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.

RECEIVED
JAN 20 1988
CONSERVATION
SANTA FE



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Ken Beardempfl
Name

KEN BEARDEMPFL
Position
LANDMAN

Company
YATES PETROLEUM CORP.

Date
1-8-88

NOTE: Distances and Bearings shown from BLM Township Plat



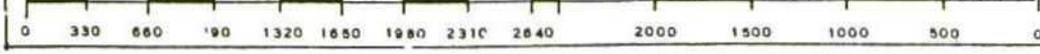
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

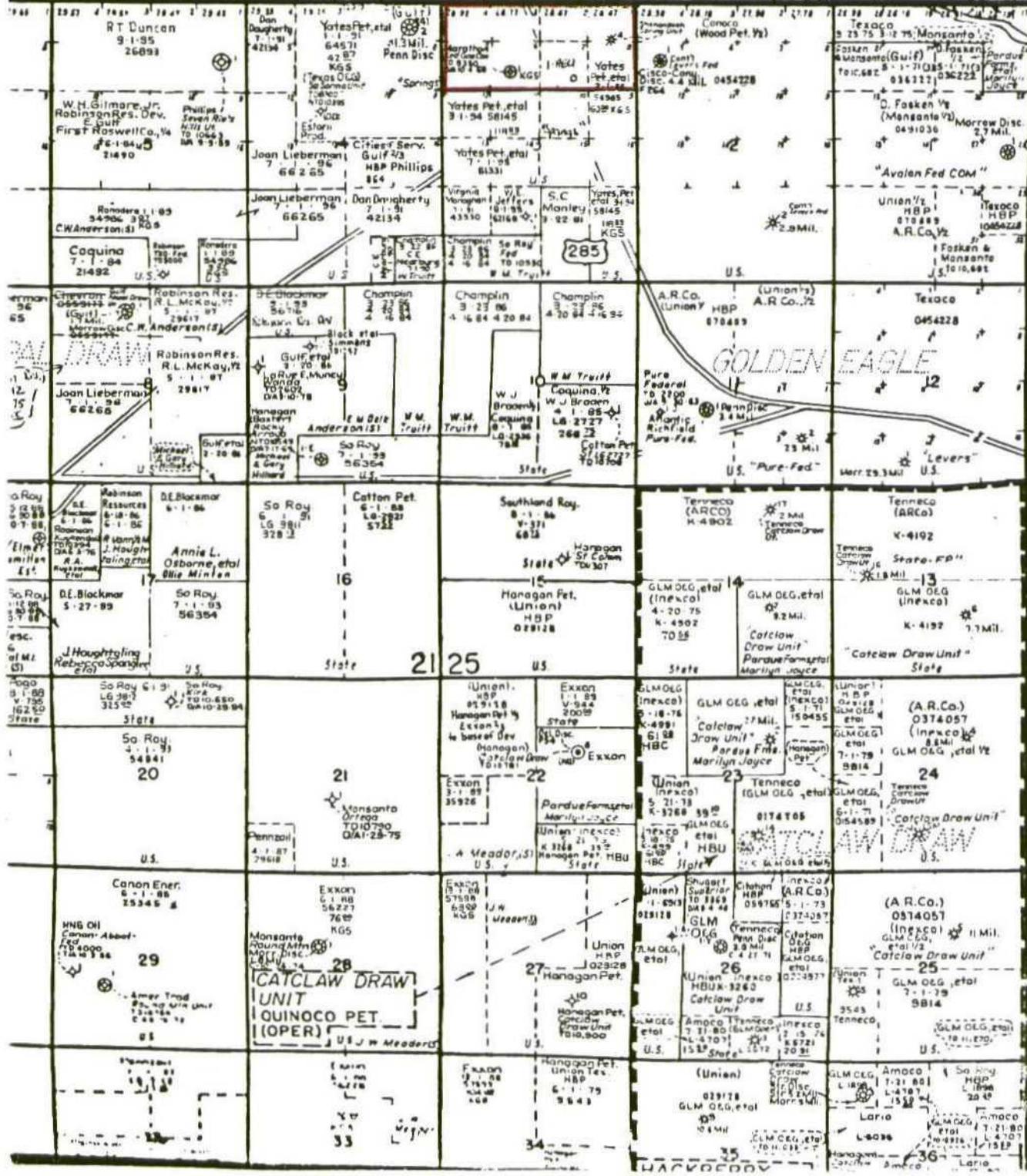
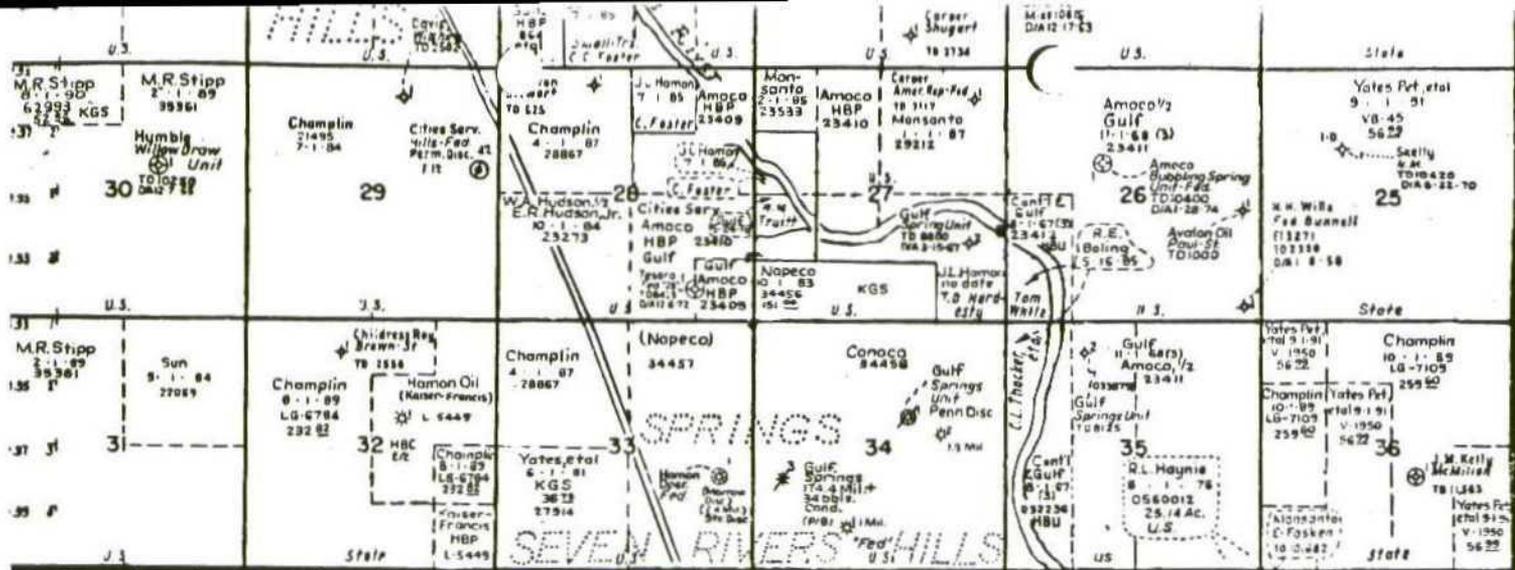
Date Surveyed
January 8, 1988

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS NO. 5412





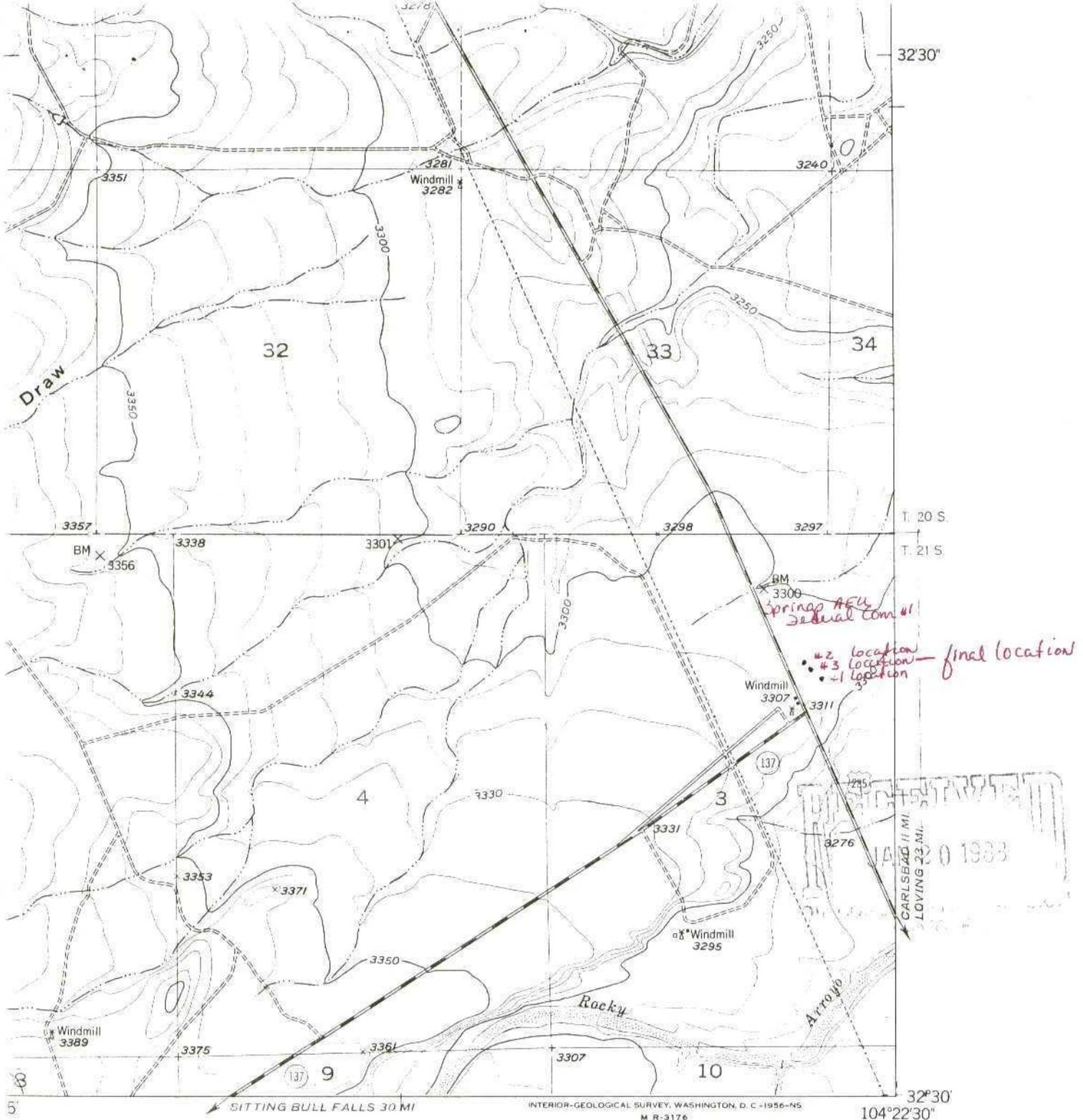
RECORDS

JAN 20 1939

3rd CONSERVATION DIVISION
SANTA FE

T
21
S

HACKBERRY



ROAD CLASSIFICATION

- | | | | |
|-------------|--|-----------------|--|
| Heavy-duty | | Light-duty | |
| Medium-duty | | Unimproved dirt | |
| | | U. S. Route | |
| | | State Route | |



SEVEN RIVERS, N. MEX.
N3230—W10422.5/7.5

1954

(WEST CARLSBAD)
1:62,500

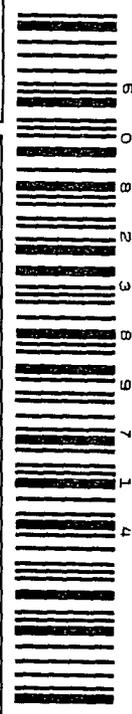
**PRESS HARD 5 COPIES
PLEASE PRINT OR TYPE**



USE THIS AIRBILL FOR DOMESTIC SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII.
DO NOT USE FOR PERTINENT INTERNATIONAL DESTINATIONS.
COMPLETE WHITE ADDRESS. SEE BACK OF AIRBILL FOR MORE INSTRUCTIONS.
QUESTIONS? CALL 800-238-5353 TOLL FREE.

AIRBILL NUMBER 6082389714

26 7275M 6082389714
Sender's Federal Express Account Number
1205-7980-0 Date 1-19-88



3176
5941

500
From (Your Name) Please Print
Rusty Jernigan
Your Phone Number (Very Important)
(505) 748-1471
Company
VALES PETROLEUM CORP/OFFICE
Department/Floor No.
Street Address
105 S 4TH ST
City
ARTESIA State
NM ZIP Required For Correct Invoicing
8 8 2 1 0

To (Recipient's Name) Please Print
Mark D. Wilson
Recipient's Phone Number (Very Important)
(915) 687-0127
Company
Rio Pecos Corporation
Department/Floor No.
Exact Street Address (Use of P.O. Boxes or P.O. Zip Codes Will Delay Delivery And Result In Extra Charge.)
110 W. Louisiana - Suite 460
City
Midland State
TX ZIP Street Address Zip Required
79701

YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE)

HOLD FOR PICK-UP AT THIS FEDERAL EXPRESS LOCATION:
Street Address (See Service Guide or Call 800-238-5353)

PAYMENT Bill Sender Bill Recipient's FedEx Acct. No. Bill 3rd Party FedEx Acct. No. Bill Credit Card
 Cash Fill in Account Number below Fill in Account Number below Fill in Credit Card Number below

City State ZIP Code of Street Address Required

SERVICES CHECK ONLY ONE BOX		DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED		PACKAGES	WEIGHT	YOUR DECLARED VALUE (See Reg.)	ORIG. SIZE
1 <input type="checkbox"/> PRIORITY 1 Overnight Delivery Using Your Packaging	6 <input type="checkbox"/> LETTER* Overnight Delivery 9 1/2" x 12 1/2"	1 <input type="checkbox"/> HOLD FOR PICK-UP Fill in Section 11 in Reg.	2 <input checked="" type="checkbox"/> DELIVER WEEKDAY	1	1.85	1.85	
2 <input type="checkbox"/> COURIER-PAK, Overnight Envelope* 12" x 15 1/2"	3 <input type="checkbox"/> OVERNIGHT BOX 12 1/2" x 17 1/2" x 3"	3 <input type="checkbox"/> DANGEROUS GOODS Reg. and Special Air Packages Only (Extra Charge)	4 <input type="checkbox"/> CONSTANT SURVEILLANCE SERVICE (CSS) (Extra Charge) Do Not Complete Section 9				
3 <input type="checkbox"/> OVERNIGHT TUBE 36" x 6" x 6" x 6"	4 <input type="checkbox"/> STANDARD AIR Delivery not later than second business day	5 <input type="checkbox"/> DAY ICE _____ Lbs.	6 <input type="checkbox"/> OTHER SPECIAL SERVICE _____	Total	Total	Total	
4 <input type="checkbox"/> STANDARD AIR Delivery not later than second business day	5 <input type="checkbox"/> DELIVERY COMMITMENT Priority 1 - Delivery is scheduled early next business morning in most locations. It may take two or more business days if the STANDARD AIR - Delivery is on a Monday next business day or not later than second business day. Friday date three or more business days if the destination is outside our primary service area.	7 <input type="checkbox"/> SATURDAY PICK-UP (Extra Charge)	8 <input type="checkbox"/> REGULAR STOP	Received At			
5 <input type="checkbox"/> DELIVERY COMMITMENT	6 <input type="checkbox"/> DELIVERY COMMITMENT	9 <input type="checkbox"/> REGULAR STOP	10 <input type="checkbox"/> REGULAR STOP	1 <input type="checkbox"/> Regular Stop			
				2 <input type="checkbox"/> On-Call Stop			
				3 <input type="checkbox"/> Drop Box			
				4 <input type="checkbox"/> B.S.C.			
				5 <input type="checkbox"/> Station			
				Federal Express Corp. Employee No.			

YOUR DECLARED VALUE

We are liable for no more than \$100 per package in the higher Declared Value to the left and document higher actual loss in the event of a claim. We charge \$06 for each additional \$100 of declared value up to the maximum are shown on the back of the Sender's Copy of this airbill. We make no expressed or implied warranties.

DELAY

There is always a risk of late delivery or non-delivery in the event of late or no delivery of a package. We will not be responsible for any loss or damage resulting from late delivery or non-delivery of a package. Request as noted above. This includes loss of sales, lost income, lost profits, lost business, lost reputation or other consequential damages. Such damages are called consequential damages.

CONSEQUENTIAL DAMAGES

We will not be responsible or liable for any loss or damage resulting from late delivery or non-delivery of a package. Request as noted above. This includes loss of sales, lost income, lost profits, lost business, lost reputation or other consequential damages. Such damages are called consequential damages.

DO NOT SHIP CASH OR CURRENCY

DATE/TIME FOR FEDERAL EXPRESS USE

Received At: 1 Regular Stop, 2 On-Call Stop, 3 Drop Box, 4 B.S.C., 5 Station

Federal Express Corp. Employee No. _____

Base Charges _____
Declared Value Charge _____
Origin Agent Charge _____
Total Charges _____

PART #106901 REV. 5/87
PRINTED U.S.A. GBFE

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RECEIVED
JAN 20 1988
OIL CONSERVATION
SANTA FE

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DO NOT USE FOR PUERTO RICO OR INTERNATIONAL DESTINATIONS.
COMPLETE PURPLE AREAS. SEE BACK OF AIRBILL FOR MORE INSTRUCTIONS.
QUESTIONS? CALL 800-238-5355 TOLL FREE.

AIRBILL NUMBER 6082389725

27 7275M 6082389725
OF 500
Sender's Federal Express Account Number 1205-7980-0
Date 1-19-88



3176
5941

From (Your Name) Please Print
Rusty Jernigan
Your Phone Number (Very Important) (505) 748-1471

To (Recipient's Name) Please Print
Mr. Steven Herman
Recipient's Phone Number (Very Important) (405) 947-7811

Company YATES PETROLEUM CORP/OFFICE
Department/Floor No.
Street Address 105 S 4TH ST
City ARTESIA State NM ZIP Required For Corred Invoicing 88210

Company Woods Petroleum
Street Address Suite 700
One Lakeview Energy Center
3817 NW Expressway
Oklahoma City State OK ZIP Street Address Zip Required 73112

YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE.)
PAYMENT Bill Sender Bill Recipient's Feder. Acct. No. Bill 3rd Party Feder. Acct. No. Bill Credit Card
 Cash Fill in Account Number below Fill in Credit Card Number below

ZIP * Zip Code of Street Address Required
City State
Declared Value Charge
Origin Agent Charge
Federal Express Use Base Charges
Other

4 SERVICES CHECK ONLY ONE BOX		DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED		PACKAGES	WEIGHT	YOUR DECLARED VALUE (See 4th)	OTHER SIZE
1 <input type="checkbox"/> PRIORITY 1 <input type="checkbox"/> OVERNIGHT LETTERS (Using Your Packaging) (Out-Packaged) BY 11:59		1 <input type="checkbox"/> HOLD FOR PICK-UP (Per Section 11 or 12)		1			
2 <input type="checkbox"/> OVERNIGHT DELIVERY USING OUR PACKAGING		2 <input checked="" type="checkbox"/> DELIVER WEDNESDAY					
3 <input type="checkbox"/> COUNTER-PAY OVERNIGHT ENVELOPES* (2" x 15 1/2")		3 <input type="checkbox"/> DELIVER SATURDAY (Extra charge)					
4 <input type="checkbox"/> OVERNIGHT BOX A (12 1/2" x 17 1/4" x 3")		4 <input type="checkbox"/> DANGEROUS GOODS (P-1 and Standard Air Package Only, Extra charge)					
4 <input type="checkbox"/> OVERNIGHT TUBE B (36" x 6" x 6" x 6")		5 <input type="checkbox"/> CONSTANT SURVEILLANCE SERVICE (CSS) (Extra charge) (See Complete Section 5)					
4 <input type="checkbox"/> DECLARED VALUE LIMIT \$100		6 <input type="checkbox"/> DAY ICE (Extra charge)					
5 <input type="checkbox"/> STANDARD AIR		7 <input type="checkbox"/> OTHER SPECIAL SERVICE					
5 <input type="checkbox"/> DELIVERY NOT LATER THAN SECOND BUSINESS DAY		8 <input type="checkbox"/> SATURDAY PICK-UP (Extra charge)					
5 <input type="checkbox"/> DELIVERY NOT LATER THAN SECOND BUSINESS DAY		9 <input type="checkbox"/> FEDERAL EXPRESS CORP. EMPLOYEE NO.					
5 <input type="checkbox"/> DELIVERY NOT LATER THAN SECOND BUSINESS DAY		10 <input type="checkbox"/> DATE/TIME FOR FEDERAL EXPRESS USE					

YOUR DECLARED VALUE
We are liable for no more than \$100 per package in the event of physical loss or damage, unless you fill in a higher declared value. We charge 30¢ for each additional \$100 of declared value up to the maximum shown in our Service Guide. Declared value restrictions may make no expressed or implied warranties.

DAMAGE OR LOSS
There is always a risk of late delivery or non-delivery in the event of a late delivery. Federal Express will not be responsible for any loss or damage to your shipment if you do not pay the applicable charges. See back of Sender's Copy of this airbill for further information.

CONSEQUENTIAL DAMAGES
We will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to a package, except as noted above. This includes loss of sales, income, interest, profits, attorney fees and other costs, but "consequential damages." Such damages are called "consequential damages."

DO NOT SHIP CASH OR CURRENCY

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PART #106001 REV. 5/87
PRINTED U.S.A. GBFE
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**FEDERAL
EXPRESS**

USE THIS AIRBILL FOR DOMESTIC SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII.
DO NOT USE FOR PUERTO RICO OR INTERNATIONAL DESTINATIONS.
COMPLETE PURPLE AREAS. SEE BACK OF AIRBILL FOR MORE INSTRUCTIONS.
QUESTIONS? CALL 800-238-5555 TOLL FREE

AIRBILL NUMBER 6082389740

29 7275M 6082389740

OF 1205-7980-0 1-19-88



3176
5941

500

Sender's Federal Express Account Number
1205-7980-0

Date
1-19-88

Your Phone Number (Very Important)
(505) 748-1471

To (Recipient's Name) Please Print
Mr. Steve Burke

Recipient's Phone Number (Very Important)
(915) 687-7100

From (Your Name) Please Print
Rusty Jernigan
Company
YATES PETROLEUM CORP/OFFICE
Department/Floor No.

Street Address
105 S 4TH ST
City
ARTESIA
State
NM
ZIP Required For Correct Invoicing
8 8 2 1 0

Company
Chevron USA, Inc.
Exact Street Address (Use of P.O. Boxes or P.O. Zip Codes Will Delay Delivery And Result In Extra Charges)
15 Smith Road
City
Midland
State
TX
ZIP Street Address Zip Required
79705

3 YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE)
PAYMENT Bill Sender Bill Recipient's Fedex Acct. No. Bill 3rd Party Fedex Acct. No. Bill Recipient's Fedex Acct. No. Fill in Account Number below Bill Credit Card Fill in Credit Card Number below

4 SERVICES CHECK ONLY ONE BOX
1 PRIORITY 1
2 OVERNIGHT DELIVERY
3 CORNER PICK OVERNIGHT ENVELOPE
4 12 1/2" x 17 1/2" BOX
5 OVERNIGHT TUBE
6 STANDARD AIR
7 DELIVER NOT LATER THAN SECOND BUSINESS DAY
8 SERVICE COMMITMENT
9 SATURDAY PICK-UP
10 HOLD FOR PICK-UP

DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED
1 HOLD FOR PICK-UP
2 DELIVER SATURDAY
3 DANGEROUS GOODS
4 CONSTANT SURVEILLANCE SERVICE (CSS)
5 DRY ICE
6 OTHER SPECIAL SERVICE
7 SATURDAY PICK-UP
8 FEDERAL EXPRESS CORP. EMPLOYEE NO.
9 DROP BOX
10 RECEIVED AT

PACKAGES	WEIGHT	YOUR DECLARED VALUE	ORIG. SIZE
1			
Total			

5 DAMAGE OR LOSS
We are liable for no more than \$100 per package in the event of physical loss or damage, unless you fill in a higher Declared Value to the left and document higher value on the back of the package. For each additional \$100 of declared value, the maximum amount shown in our Service Guide. Declared value restrictions are shown on the back of the Sender's Copy of this airbill. We make no expressed or implied warranties.

6 DELAY
There is always a risk of late delivery or non-delivery in the event of a late delivery Federal Express will, at your request and with some limitations, refund transportation charges. See Sender's Copy of this airbill for further information.

7 CONSEQUENTIAL DAMAGES
We will not be responsible or liable for any loss or damage resulting from the use of the goods, or for any loss or damage, except as noted above. This includes consequential damages, interest, profits, attorney fees and other costs, but is not limited to these items. Such damages are called consequential damages.

8 DO NOT SHIP CASH OR CURRENCY

9 PART #106001 REV 5/87
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USE THIS AIRBILL FOR DOMESTIC SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII.
DO NOT USE FOR PUERTO RICO OR INTERNATIONAL DESTINATIONS.
COMPLETE PURPLE AREAS. SEE BACK OF AIRBILL FOR MORE INSTRUCTIONS.
QUESTIONS? CALL 800-238-5355 TOLL FREE.

AIRBILL NUMBER 6082389751

30 7275M 6082389751
Sender's Federal Express Account Number 1205-7980-0
Date 1-19-88



3176
5941

From (Your Name) Please Print
Rusty Jernigan
Your Phone Number (Very Important) (505) 748-1471

To (Recipient's Name) Please Print
Mr. Frank Hulse
Recipient's Phone Number (Very Important) (915) 367-1266

Company YATES PETROLEUM CORP/OFFICE
Department/Floor No.
Street Address 105 S 4TH ST
City ARTESIA State NM ZIP Required For Correct Invoicing 8 8 2 1 0

Company Phillips Petroleum Company
Department/Floor No.
Exact Street Address (Use of P.O. Boxes or P.O. Zip Codes Will Delay Delivery and Result in Extra Charges)
4001 Penbrook
City Odessa State TX ZIP Street Address Zip Required 79762

YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE)
PAYMENT Bill Sender Bill Recipient's Fedex Acct No. Bill 3rd Party Fedex Acct No. Bill Credit Card
 Cash Fill in Account Number below Fill in Credit Card Number below

1 **PRIORITY 1** Overnight Delivery Using Your Packaging
2 **COURIER-PAK OVERNIGHT ENVELOPE** 1/2 X 1 1/4
3 **OVERNIGHT BOX** 12 X 11 1/2 X 3
4 **OVERNIGHT BAG** 12 X 11 1/2 X 3
5 **STANDARD AIR** Delivery not later than second business day
6 **DELIVER SATURDAY** (Extra Charge)
7 **DELIVER WEDNESDAY** (Extra Charge)
8 **DELIVER THURSDAY** (Extra Charge)
9 **DELIVER FRIDAY** (Extra Charge)
10 **DELIVER MONDAY** (Extra Charge)
11 **DELIVER TUESDAY** (Extra Charge)

1	2	3	4	5	6	7	8	9	10
PACKAGES	WEIGHT	YOUR DECLARED VALUE (See Page 1)	GREEN SIZE						
1	1	100							
Total	Total	Total	Total						

5 **SERVICE COMMITMENT**
PROPERTY 1 - Delivery is scheduled every third business morning (Monday through Friday) except on business days 1 and 2 after the receipt of business day. Delivery is generally next business day or not later than second business day. Items that exceed volume or weight limits are subject to special handling charges.
STANDARD AIR - Delivery is generally next business day or not later than second business day. Items that exceed volume or weight limits are subject to special handling charges.
Sender authorizes Federal Express to deliver this shipment without obtaining a delivery signature and shall indemnify and hold harmless Federal Express from any claims resulting therefrom.
Release Signature: _____ Date/Time For Federal Express Use: _____

YOUR DECLARED VALUE
We are liable for no more than \$100 per package in the event of physical loss or damage, unless you fill in a higher Declared Value to the left and document higher actual loss in the event of a claim. We charge \$36 (for shipping and handling) for each \$100 of declared value shown in our Service Guide. Declared Value restrictions are shown on the back of the Sender's Copy of this airbill. We make no expressed or implied warranties.

DELAY
There is always a risk of late delivery or non-delivery in the event of a late delivery. Federal Express will, at your request and with some limitations, refund all transportation charges paid. See back of Sender's Copy of this airbill for further information.

CONSEQUENTIAL DAMAGES
We will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to package, including consequential damages, such as lost profits, income, interest, profits, attorney fees and other costs, but is not limited to these items. Such damages are called consequential damages.

DO NOT SHIP CASH OR CURRENCY

Base Charges
Declared Value Charge
Origin Agent Charge
Other
Total Charges

PART #109001 REV 5/87
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DO NOT USE FOR PUERTO RICO OR INTERNATIONAL DESTINATIONS.
COMPLETE PEOPLE AREAS. SEE BACK OF AIRBILL FOR MORE INSTRUCTIONS.
QUESTIONS? CALL 800-238-5555 TOLL FREE.

AIRBILL NUMBER 6082389762

31 7275M 6082389762
Sender's Federal Express Account Number 1205-7980-0 Date 1-19-88



3176 5941

From (Your Name) Please Print
Rusty Jernigan
Your Phone Number (Very Important) (505) 748-1471

Company
YATES PETROLEUM CORP/OFFICE
Department/Floor No.

Street Address
105 S 4TH ST
City ARTESIA State NM ZIP Required For Correct Invoicing 8 8 2 1 0

City ARTESIA State NM ZIP Required For Correct Invoicing 8 8 2 1 0

3 YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE)
PAYMENT Bill Sender Bill Recipient's Fedex Acct. No. Bill 3rd Party Fedex Acct. No. Bill Credit Card
 Cash Fill in Account Number below Fill in Credit Card Number below

4 SERVICES CHECK ONLY ONE BOX
1 PRIORITY 1 Overnight Delivery (Guaranteed 1-2 Business Days)
2 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
3 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
4 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
5 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
6 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
7 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
8 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
9 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)
10 OVERNIGHT DELIVERY 6 Letters (Guaranteed 1-2 Business Days)

DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED
1 HOLD FOR PICK-UP (Fill in Section H at right)
2 DELIVER WEEKDAY
3 DELIVER SATURDAY (Extra charge)
4 DANGEROUS GOODS (P-1 and Standard Air Packages only (Extra charge))
5 CONSTANT SURVEILLANCE SERVICE (CSS) (Extra charge) (See Complete Section 5)
6 BRT ICE (Lbs)
7 OTHER SPECIAL SERVICE
8 SATURDAY PICK-UP (Extra charge)
9 SATURDAY PICK-UP (Extra charge)
10 SATURDAY PICK-UP (Extra charge)

PACKAGES	WEIGHT	YOUR DECLARED VALUE (See right)	OTHER STATE
1	1.00	1.00	
2	1.00	1.00	
3	1.00	1.00	
4	1.00	1.00	
5	1.00	1.00	
6	1.00	1.00	
7	1.00	1.00	
8	1.00	1.00	
9	1.00	1.00	
10	1.00	1.00	
Total	10.00	10.00	

5 SERVICE COMMITMENT
PROPERTY 1 - Shipments are insured against loss or damage in transit. In most locations, it may take two or more business days if the destination is outside our primary service area.
PROPERTY 2 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 3 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 4 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 5 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 6 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 7 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 8 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 9 - Delivery is guaranteed next business day or not later than the next business day in most locations.
PROPERTY 10 - Delivery is guaranteed next business day or not later than the next business day in most locations.

6 DELAY
There is always a risk of late delivery or non-delivery. In the event of a late delivery of Federal Express mail, at your request, we will refund the shipping charges. See back of Sender's Copy of this airbill for further information.

7 CONSEQUENTIAL DAMAGES
We will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to a package, except as noted above. This includes loss of sales, income, market profits, attorney fees and other costs but not consequential damages. Such damages are called consequential damages.

8 DO NOT SHIP CASH OR CURRENCY
We will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to a package, except as noted above. This includes loss of sales, income, market profits, attorney fees and other costs but not consequential damages. Such damages are called consequential damages.

9 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

10 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

11 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

12 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

13 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

14 RECEIVED AT
1 Regular Stop
2 On-Call Stop
3 Drop Box
4 B.S.C.
5 Station
Federal Express Corp. Employee No.
Date/Time For Federal Express Use
Signature

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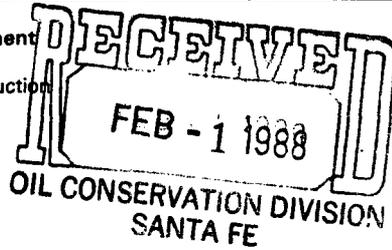


007

PART #106001 REV 5/87
PRINTED U.S.A. GBFE



Production Department
Hobbs Division
North American Production



Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

January 29, 1988

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention Rusty Jernigan

Gentlemen:

Springs AEU Federal Com #1, 1960' FNL & 1550' FEL, Section 3, T-21S,
R-25E, Eddy County, New Mexico

Conoco Inc. has approved your letter ballot for the subject well as offset operator. One copy was mailed to Mr. LeMay and one copy is attached.

Yours very truly,



H. A. Ingram
Conservation Coordinator

/tm
cc: Bill LeMay, NMOCD, Santa FE



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

January 19, 1988

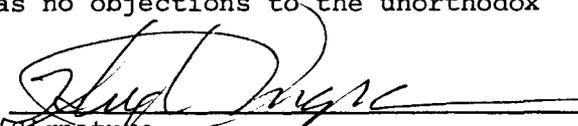
RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

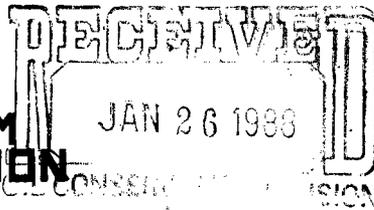
As an offset operator, Conoco, Inc., has no objections to the unorthodox location for the well listed above.



Signature

Conservation Coordinator
Title

1-29-88
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Enron Oil and Gas Company, has no objections to the unorthodox location for the well listed above.

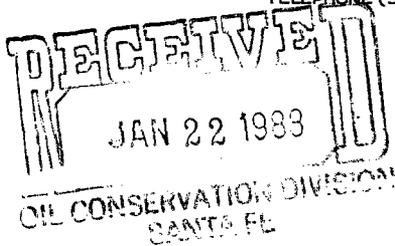
B. H. Morrison *ml*
Signature
B. H. MORRISON, Agent and Attorney-in-Fact
Title
1-22-88
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471



January 19, 1988

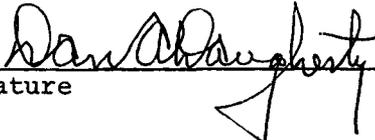
RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Dan A. Daugherty, has no objections to the unorthodox location for the well listed above.



Signature

Title

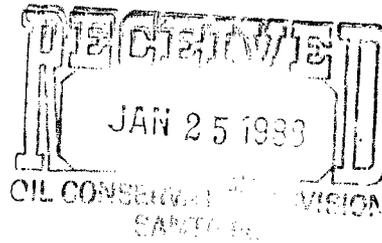
Jan. 20, 1988

Date



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

January 19, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1950' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

^{*}
As an offset operator, Woods Petroleum, has no objections to the unorthodox location for the well listed above.

Michael W. Pruitt
Signature Michael W. Pruitt

Assistant Vice President
Title

January 20, 1988
Date

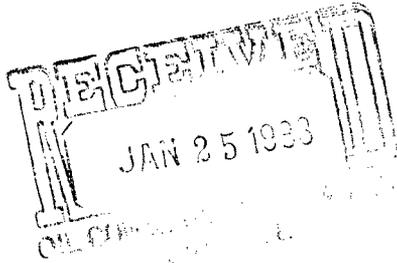
*Woods Petroleum Corporation sold its interest in Section 2-21S-25E to Yates Petroleum Corporation effective January 1, 1988.



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471



January 19, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy 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.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Mark D. Wilson, has no objections to the unorthodox location for the well listed above.


Signature

INDEPENDENT GEOLOGIST
Title

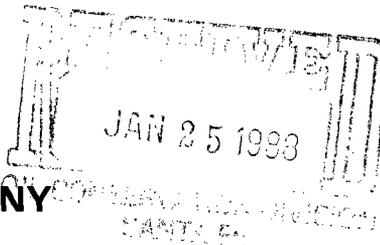
1/20/88
Date



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region



January 21, 1988

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

Attn: Mr. William LeMay

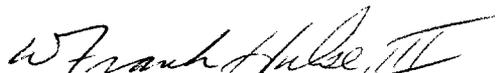
Re: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL
Section 3, T21S, R25E
Eddy County, New Mexico

Dear Sir:

Please be advised that a review of Phillips' records both in this office and our Houston office reflects that we do not own an interest in Lots 15 and 16, Section 4, T-21S, R-35E, Eddy County, New Mexico. Therefore, please accept this letter as confirmation that Phillips Petroleum Company has no objections to the well described in Yates Petroleum Corporation's January 19, 1988, letter located as described in the above-stated reference.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

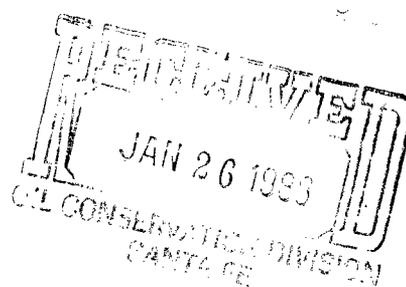

W. Frank Hulse, III
Senior Landman

WFH:mb

cc: Yates Petroleum Corporation
Attn: Rusty Jernigan
105 South Fourth Street
Artesia, NM 88210



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



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

January 19, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Chevron USA, Inc., has no objections to the unorthodox location for the well listed above.

Alan W. Bohling
Signature

Division Production Engineer
Title

January 25, 1988
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Joan K. Lieberman, has no objections to the unorthodox location for the well listed above.

Joan K. Lieberman
Signature

Title

January 20, 1988
Date



S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT

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

January 19, 1988

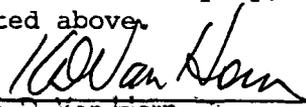
RE: Non-Standard Location for
Springs AEU Federal Com #1
1960' FNL and 1550' FEL of
Section 3-T21S-R25E
Eddy County, New Mexico

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We respectfully ask for your expeditious return of this waiver, as we have to be drilling across January 31, 1988.

W A I V E R

As an offset operator, Cities Service Oil and Gas Company, has no objections to the unorthodox location for the well listed above.



Signature
District Manager Production

Cities Service Oil and Gas Corporation
Title

1/26/88

Date