



SUSPENSE 1-24-05	ENGINEER MS	LOGGED IN ms	TYPE NSP/NSL	APP NO. PMESD-501843249
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

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

Yates'
Viersen Federal 3

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

[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.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
(505) 466-8120
FAX 466-9682

CONSULTANT

1-3-05

e-mail Address

brian@permitswest.com

JAN 04 2005

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RECEIVED

30-045-32462

REQUEST FOR ADMINISTRATIVE APPROVAL FOR
NONSTANDARD SPACING UNIT (NSP) & NONSTANDARD LOCATION (NSL) FOR
YATES PETROLEUM CORPORATION'S
VIERSEN FEDERAL #3
1825' FSL & 1520' FWL SEC. 19, T. 30 N., R. 13 W., SAN JUAN COUNTY, NM

I. The well is on BLM surface and BLM oil and gas lease NMSF-078977. The well is NSP because there are only 90.8 acres in the "southwest quarter" (Lots 3 & 4 and E2SW4). A standard spacing unit must be $\geq 70\%$ of a standard quarter section (160 acres). Thus, the 90.8 acres is less than the 112 acres (112 acres = 70% of 160 acres) needed.

The proposed location is NSL for the Fulcher Cliffs Pictured Cliffs due to topography (steep badland slopes). A standard location must be at least 660' from the quarter line. This well is staked 487' further east than is standard. (Closest standard location would be 1825' FSL and 1033' FWL.) The APD cover sheet is attached as EXHIBIT A.

II. A C-102 showing the well location and pro ration unit (Lots 3 & 4 and E2SW4) is attached (EXHIBIT B). Relevant parts of the lease (2,553.94 acres) are shown as solid lines on the attached (EXHIBIT C) composite copy of the Farmington North and Youngs Lake USGS topo maps.

The well encroaches on the SE4 Section 19, but no Pictured Cliffs acreage has been dedicated to date in the SE4 Section 19 - and it is part of the same Yates lease. Existing Pictured Cliffs acreage dedications (\approx quarter sections) are shown on Exhibit D.

III. NM Oil Conservation Division records reviewed on January 1, 2005 show the closest existing or planned Pictured Cliffs well is McElvain's Hagood #1 well which is 3,767' northwest at 1050' FNL & 1040' FEL 24-30n-14w. EXHIBIT D shows the proposed well site, the only two existing offset Pictured Cliffs gas dedicated spacing units, and the two Pictured Cliffs gas wells (circled on map) within those dedications.

Registered letters were sent on January 3, 2005 to all of the offset interest owners. Copies of the postal receipts and letters are attached.

IV. A copy of the USGS map is attached (EXHIBIT E). The proposed well site is marked. Pro ration unit (dashed outline) for the Pictured Cliffs gas is 90.8 acres (Lots 3 & 4 and E2SW4) in Section 19, Township 30 North, Range 13 West, San Juan County, NM.

V. The nonstandard location is due to topography. The drilling window is in a steep badland area. The well is staked (see EXHIBIT E) northeast of the badlands and near a road.

VI. No archaeology sites were found.

VII. See item V. above and attached map for a description of the surface conditions.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify notice (see attached EXHIBIT F) has been sent to the following lessees, lessors, operators of existing spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct.

Robert L. Bayless Producer LLC
BHP Petroleum
BLM
BP America Production Co.
Mitchell Brown Properties
Burlington Resources Oil and Gas Company
Colt Resources
Denver American Petroleum
Joe & Linda Elledge
George Hall & Elliott Hall Co. UT LP
Elliott Industries & Mgt. Co.
ExxonMobil
William Helis Co.
Lance Oil & Gas
Mak J Energy & MarkWest
T H McElvain Oil & Gas LP
Pogo Producing

B. Wood

1-3-05

Kathryn K. Wood

OFFICIAL SEAL
KATHRYN K. WOOD
SHERIFF PUBLIC
STATE OF NEW MEXICO
My Commission Expires 9-10-07

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
NMSF-0 078977

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.
30-045-32462

8. Lease Name and Well No.
Viersen Federal 3

9. API Well No.
30-045-

10. Field and Pool, or Exploratory
Fulcher Kutz Pictured Cliffs

11. Sec., T., R., M., or Blk. and Survey or Area
19-30n-13w NMPM

12. County or Parish
San Juan

13. State
NM

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
Yates Petroleum Corporation

3a. Address **105 South 4th Street
Artesia, NM 88210**

3b. Phone No. (include area code)
(505) 748-1471

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **1825' FSL & 1520' FWL**
At proposed prod. zone **Same**

14. Distance in miles and direction from nearest town or post office*
4 air miles NW of Farmington, New Mexico

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) **1,520'**

16. No. of Acres in lease
2,553.94

17. Spacing Unit dedicated to this well
90.8 acres (≈SW4 Sec. 19)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. **1,753'**

19. Proposed Depth
1,645'

20. BLM/BIA Bond No. on file
BLM nation wide (NM-2811)

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5,648' ungraded

22. Approximate date work will start*
Upon Approval

23. Estimated duration
2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

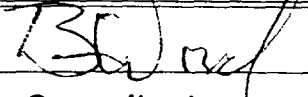
1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

Comments

EXHIBIT A

cc: BLM, OCD (via BLM), May

25. Signature		Name (Printed/Typed)	Brian Wood	Date	7-8-04
Title	Consultant	Phone: 505 466-8120	FAX: 505 466-9682		
Approved by (Signature)		Name (Printed/Typed)		Date	
Title		Office			

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

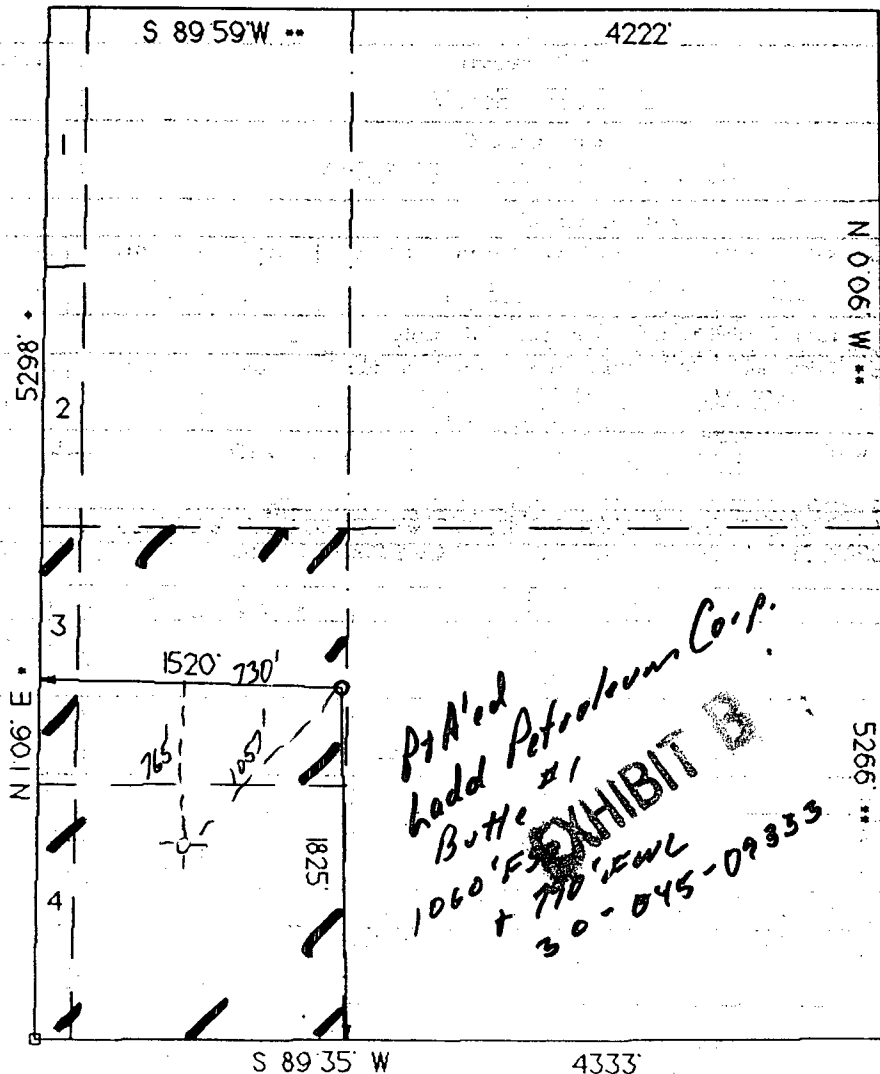
APA Number		Pool Code 77200	Pool Name FULCHER KUTZ PICTURED CLIFFS
Property Code	Property Name VIERSEN FEDERAL		Well Number 3
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION		Elevation 5648'

Surface Location									
UL or Lot K	Sec. 19	Twp. 30 N.	Rge. 13 W.	Lot Ltn.	Feet from >	North/South SOUTH	Feet from >	East/West WEST	County SAN JUAN

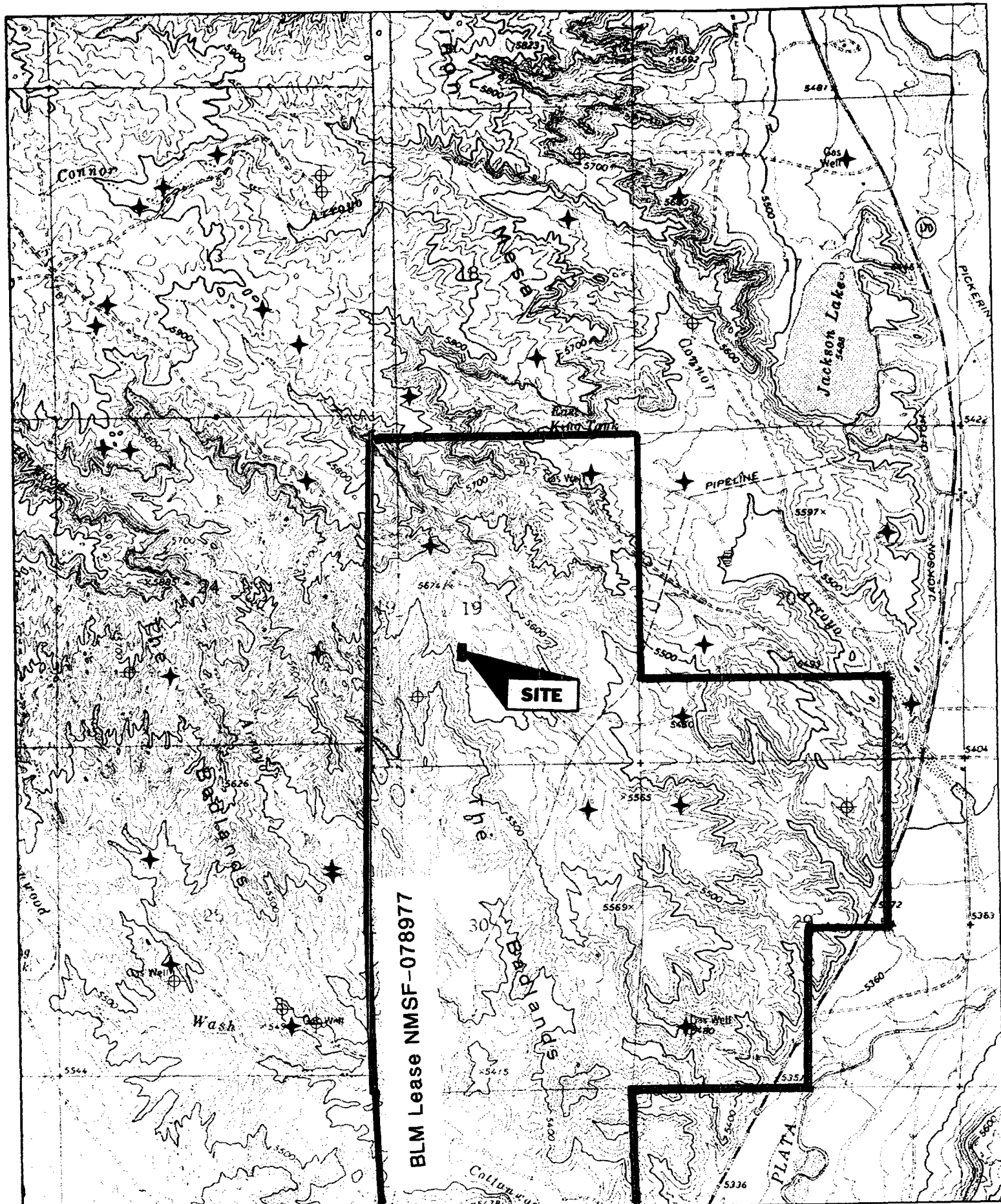
Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Ltn.	Feet from >	North/South	Feet from >	East/West	County

Dedication	Joint ?	Consolidation	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



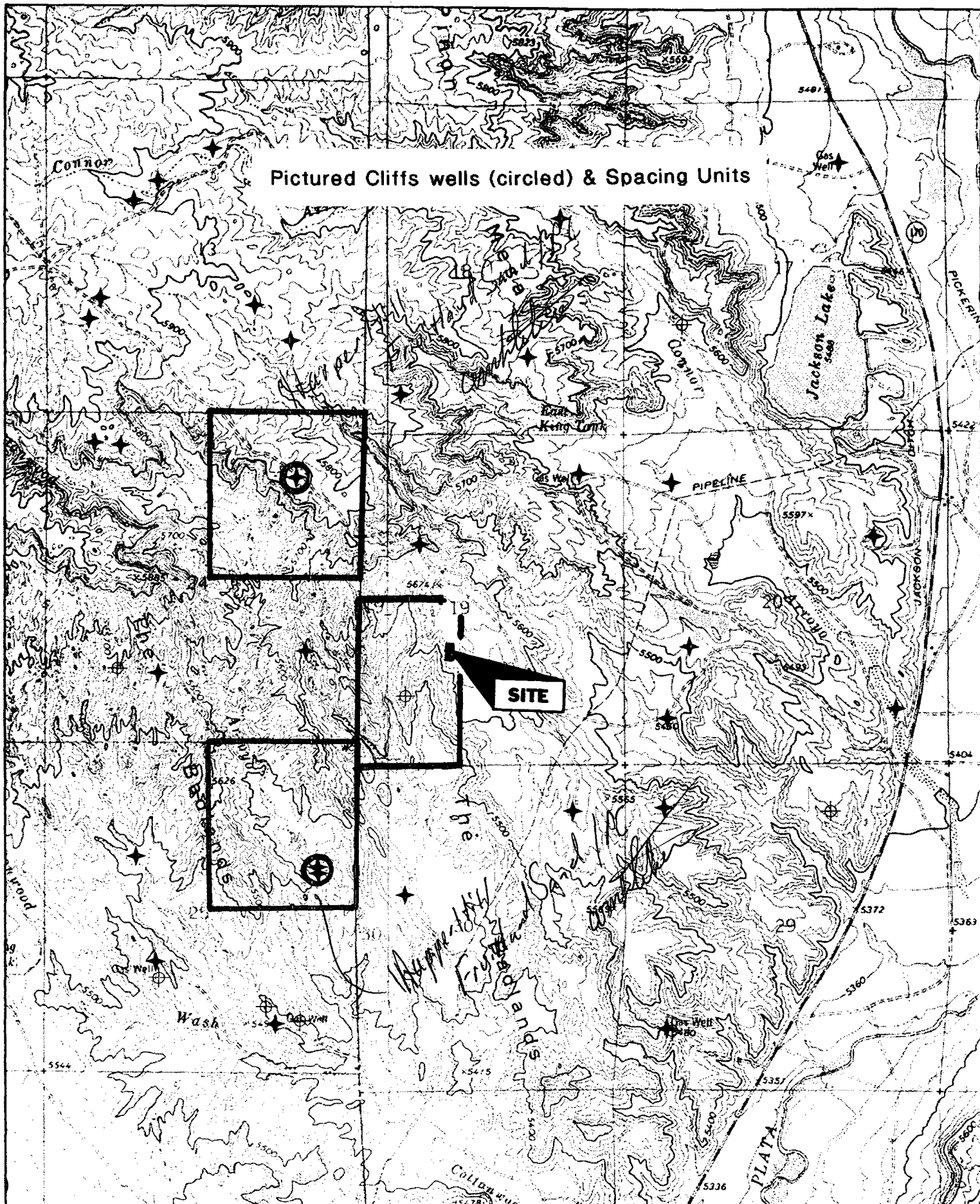
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Brian Wood</i> Printed Name BRIAN WOOD Title CONSULTANT Date JULY 8, 2004	
SURVEYOR CERTIFICATION I hereby certify that the well location on this plat 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 7/8/04 Signature and Seal of Professional Surveyor <i>[Signature]</i> Registered Land Surveyor 6844	



Name: FARMINGTON NORTH
 Date: 9/9/2004
 Scale: 1 inch equals 2000 feet

Location: 036.7981656° N 108.2446912° W
 Caption: 19, 20N-13W

EXHIBIT C



Name: FARMINGTON NORTH
 Date: 9/9/2004
 Scale: 1 inch equals 2000 feet

Location: 036.7981656° N 108.2446912° W
 Caption: 19, 20N-13W

EXHIBIT D

Copyright (C) 1997, Maptech, Inc.

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Robert L. Bayless Producer LLC
P. O. Box 168
Farmington, NM 87499

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

FARMINGTON, NM 87499

Postage	\$ 0.37	UNIT 18510991
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Name (Please Print Clearly) (To be completed by mailer)

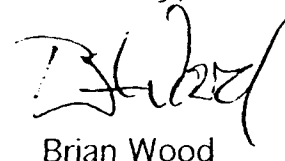
Street, Apt. No.: or PO Box No.

City, State, ZIP+4

Farmington, NM 87499

questions.

Sincerely,



Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

BHP Petroleum
1360 Post Oak, #500
Houston, TX 77056

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage \$ 3.20
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.44

Name (Please Print Clearly) (To be completed by mailer)
BHP

Street, Apt. No.; or PO Box No.
1360 Post Oak #500

City, State, ZIP+4
Houston TX 77056

See Reverse for Instructions

Sincerely,

Brian Wood
Brian Wood

EXHIBIT

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
17 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

BLM
1235 LaPlata Highway
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

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San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. My phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage \$

530

Certified Fee

230

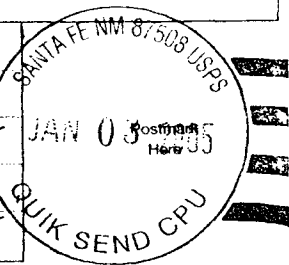
Return Receipt Fee
(Endorsement Required)

175

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

935



Name (Please Print Clearly) (To be completed by mailer)

BLM

Street, Apt. No., or PO Box No.

1235 LaPlata Hwy

City, State, ZIP+ 4

Farmington NM 87401

PS Form 3800, July 1999

See Reverse for Instructions

estions.

Sincerely,

Brian Wood
Brian Wood

COPIED

7099 3220 0005 2206 5590

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

BP America Production Co.
P. O. Box 3092
Houston, TX 77253-3092

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

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Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed in Division. If they determine the application meets regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87508. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$ 27
Certified Fee	230
Return Receipt Fee (Endorsement Required)	175
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 442



Name (Please Print Clearly) (To be completed by mailer)
BP
Street, Apt. No., or PO Box No.
PO Box 3092
City, State, ZIP+4
Houston TX 77253
PS Form 3800, July 1999 See Reverse for Instructions

Questions.

Sincerely,

Brian Wood

EXHIBIT 1

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Mitchell Brown Properties
P. O. Box 5562
Midland, TX 79704

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To: _____

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

SAINT FE NM 87508 USPS
JAN 03 2005
Postmark Here
QUIT SEND CPU

Name (Please Print Clearly) (To be completed by mailer)
Brawn
Street, Apt. No., or PO Box No.
PO Box 5562
City, State, ZIP+ 4
Midland TX 79704

PS Form 3800, July 1999 See Reverse for Instructions

Questions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT A

7099 3220 0005 2206 5774

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Ariano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Burlington Resources Oil and Gas Company
P. O. Box 4289
Farmington, NM 87499

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

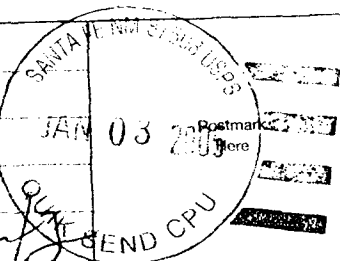
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Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application meets the regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage \$
Certified Fee \$
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$4.48



Name (Please Print Clearly) (To be completed by mailer)
Burlington
Street, Apt. No., or PO Box No.
P.O. Box 4289
City, State, ZIP+4
Farmington NM 87499
PS Form 3800, July 1999 See Reverse for Instructions

Sincerely,

Brian Wood
Brian Wood

EXHIBIT

7099 3220 0005 2206 5798

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Colt Resources
550 N. 31st St., #300
Billings, MT 59103

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87503. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

BILLINGS, MT 59103

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Name (Please Print Clearly) (To be completed by mailer)
Colt

Street, Apt. No., or PO Box No.
550 N 31st #300

City, State, ZIP+4
Billings MT 59103

PS Form 3800, July 1999

See Reverse for Instructions

questions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Merano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Denver America Petroleum
410 17th St., #1600
Denver, CO 80202

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

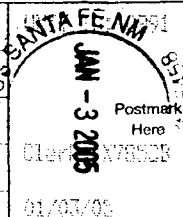
Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

DENVER, CO 80202

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Name (Please Print Clearly) (To be completed by mailer)
Denver Am. Pet.
Street, Apt. No., or PO Box No.
410 17th, #1600
City, State, ZIP+4
Denver, CO 80202
PS Form 3800, July 1999 See Reverse for Instructions

Questions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Joe & Linda Elledge
P. O. Box 111
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

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San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone is (505) 476-3440.

Questions.

Sincerely,

Brian Wood

EXHIBIT

7099 3220 0005 2206 5767

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$4.40

Postmark Here

SEND CPU

Name (Please Print Clearly) (To be completed by mailer)
Elledge
Street, Apt. No., or PO Box No.
PO Box 111
City, State, ZIP+4
Farmington, NM 87401

PS Form 3800, July 1999 See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Elliott Industries Ltd. Partnership
500 N. Kentucky Ave.
Roswell, NM 88201

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
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San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. My phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Questions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT F

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.45

SANTA FE NM 87508 USPS
JAN 03 2005
Postmark Here
SEND CPU

Name (Please Print Clearly) (To be completed by addressee)
Elliott Ind.
Street, Apt. No., or PO Box No.
500 N. Ky Av
City, State, ZIP+4
Roswell NM 88201
PS Form 3800, July 1999 See Reverse for Instructions

7099 3220 0005 2206 5743

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Elliott Mgt. Co.
P. O. Box 1355
Roswell, NM 88202

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

estions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT F

7099 3220 0005 2206 5736

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Article Sent To:	
Postage	\$ 3.75
Certified Fee	23.00
Return Receipt Fee (Endorsement Required)	17.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 44.25
Name (Please Print Clearly) (To be completed by mailer) Elliott Mgt Co	
Street, Apt. No., or PO Box No. PO Box 1355	
City, State, ZIP+4 Roswell NM 88202	
PS Form 3800, July 1999 See Reverse for Instructions	

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

ExxonMobil Corp.
P. O. Box 4358
Houston, TX 77210

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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San Juan County, NM on Federal lease NMSF-078977
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Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

HOUSTON, TX 77210

Postage	\$ 0.37	4877-110 0991
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark JAN - 3 2005 Clerk: X750CF
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	01/03/05

Name (Please Print Clearly) (To be completed by mailer)

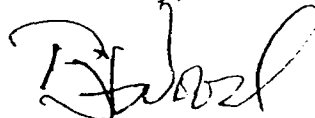
Exxon
Street, Apt. No.; or PO Box No. P.O. Box 4358
City, State, ZIP+ 4 Houston TX 77210

PS Form 3800, July 1999

See Reverse for Instructions

Questions.

Sincerely,



Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Merano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

George Hall & Elliott Hall Co. UT LP
P. O. Box 1231
Ogden, UT 84402

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87508. Phone is (505) 476-3440.

7099 3220 0005 2206 5750

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Article Sent To:	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$4.15
Name (Please Print Clearly) (To be completed by mailer) Hall & Elliott Hall	
Street, Apt. No., or PO Box No. PO Box 1231	
City, State, ZIP+4 Ogden UT 84402	

PS Form 3800, July 1999 See Reverse for Instructions

SANTA FE NM 87508 USPS
JAN 03 2005
Post Office Here
QUICK SEND CPU

stions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT A

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Wm. G. Helis Co.
228 St. Charles Ave.
New Orleans, LA 70130

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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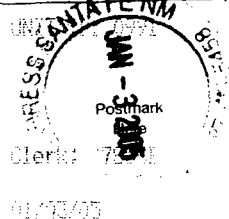
U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

NEW ORLEANS, LA 70130

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Name (Please Print Clearly) (To be completed by mailer)

Helis

Street, Apt. No., or PO Box No.

228 St. Charles

City, State, ZIP+4

New Orleans, LA 70130

PS Form 3800, July 1999

See Reverse for Instructions

Questions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Lance Oil & Gas
1099 18th St., Suite 1200
Denver, CO 80202

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
[Redacted]

Postage	\$ 3.00
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.55

Postmark Here: JAN 03 2005
QUICK SEND C

Name (Please Print Clearly) (To be completed by mailer)
Lance Oil & Gas
Street, Apt. No., or PO Box No.
1099 18th St., Suite 1200
City, State, ZIP+ 4
Denver, CO 80202

PS Form 3800, July 1999 See Reverse for Instructions

Questions.

Sincerely,

Brian Wood

EXHIBIT

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Virano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Mak-J Energy Partners & MarkWest
155 Inverness Dr., Suite 100
Englewood, Co. 80112-5004

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Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone is (505) 476-3440.

Questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:	
ENGLEWOOD, CO 80112	
Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

Postmark Here
JAN 3 2005
SANTA FE, NM

Name (Please Print Clearly) (To be completed by mailer)
Mak-J MarkWest
Street, Apt. No., or PO Box No.
155 Inverness Dr. Suite 100
City, State, ZIP+ 4
Englewood CO 80112

PS Form 3800, July 1995

7099 3220 0005 2206 5651

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

T H McElvain Oil & Gas LP
1050 17th St., Suite 1800
Denver, CO 80265

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To: _____

Postage	\$ 37
Certified Fee	230
Return Receipt Fee (Endorsement Required)	175
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here: JAN 03

QUICK SEND

Name (Please Print Clearly) (To be completed by mailer)
McElvain
Street, Apt. No., or PO Box No.
1050 17th #1800
City, State, ZIP+ 4
Denver CO 80265

See Reverse for Instructions

questions.

Sincerely,


Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Pogo Producing Co.
P. O. Box 10340
Midland, TX 79702

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage \$

37

Certified Fee

230

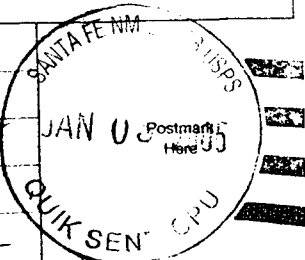
Return Receipt Fee
(Endorsement Required)

175

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$ 442



Name (Please Print Clearly) (To be completed by mailer)

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, July 1999

See Reverse for Instructions

Sincerely,

Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Princeps Partners Inc.
P. O. Box 7167
Billings, MT 59103

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87502. Phone is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:	
WILLIAMS, MT 59103	
Postage	\$ 0.27
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.32

Postmark: JAN 3 2005
Clerk: [Signature]
01/03/05

Name (Please Print Clearly) (To be completed by mailer)	
Princips	
Street, Apt. No.; or PO Box No.	
PO Box 7167	
City, State, ZIP+ 4	
Billings MT 59103	

PS Form 3800, July 1999 See Reverse for Instructions

Questions.

Sincerely,

[Signature]
Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Pure Resources
500 W. Illinois, #500
Midland, TX 79701

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

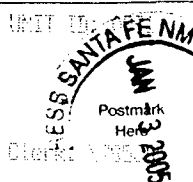
Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Midland, TX 79701

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



questions.

Sincerely,

Brian Wood
Brian Wood

Name (Please Print Clearly) (To be completed by mailer)

Street, Apt. No., or PO Box No.

City, State, ZIP+ 4

PS Form 3800, July 1999

See Reverse for Instructions

EXHIBIT

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Questar Expl. & Prod. Co.
1050 17th St., #500
Denver, CO 80265

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

Well Name: Viersen Federal 3 Total Depth: 1,645'
Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ~4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87508. Phone number is (505) 476-3440.

Questions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT E

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$14.00

SANTA FE NM 87508 USPS
JAN 03 2005
Postmark Here

Name (Please Print Clearly) (To be completed by mailer)
Questar

Street, Apt. No., or PO Box No.
1050 17th St., #500

City, State, ZIP+4
Denver CO 80265

PS Form 3800, July 1999

See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

Viersen Oil & Gas Co.
P. O. Box 280
Okmulgee, OK 74447

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to drill its Viersen Federal 3 gas well. The minimum state distance for such a gas well is 660' from a quarter section line. The proposed well is 487' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography. The "quarter section" is 90.8 acres rather than the minimum 112 acres. Thus, it is a NSP. It is 1,520' from the closest lease boundary.

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Proposed NSL Producing Zones: Fulcher Kutz Pictured Cliffs
NSL Acreage Dedication: 90.8 acres (Lots 3 & 4 and E2SW4 Sec. 19)
Location: 1825' FSL & 1520' FWL Sec. 19, T. 30 N., R. 13 W.,
San Juan County, NM on Federal lease NMSF-078977
Approximate Location: ≈4 air miles northwest of Farmington, NM
Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

Questions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT F

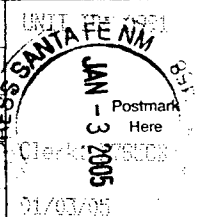
U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

OKMULGEE, OK 74447

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Name (Please Print Clearly) (To be completed by mailer)

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

PS Form 3800, July 1999

See Reverse for Instructions

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 3, 2005

XTO Energy
810 Houston St., #2000
Ft. Worth, TX 76102

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) and nonstandard spacing unit (NSP) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Yates Petroleum Corporation (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. My phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

FORT WORTH, TX 76102

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

UNIT 101 0991

Postmark
Here

Clerk: X75500

01/03/05

Name (Please Print Clearly) (To be completed by mailer)

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, July 1999

See Reverse for Instructions

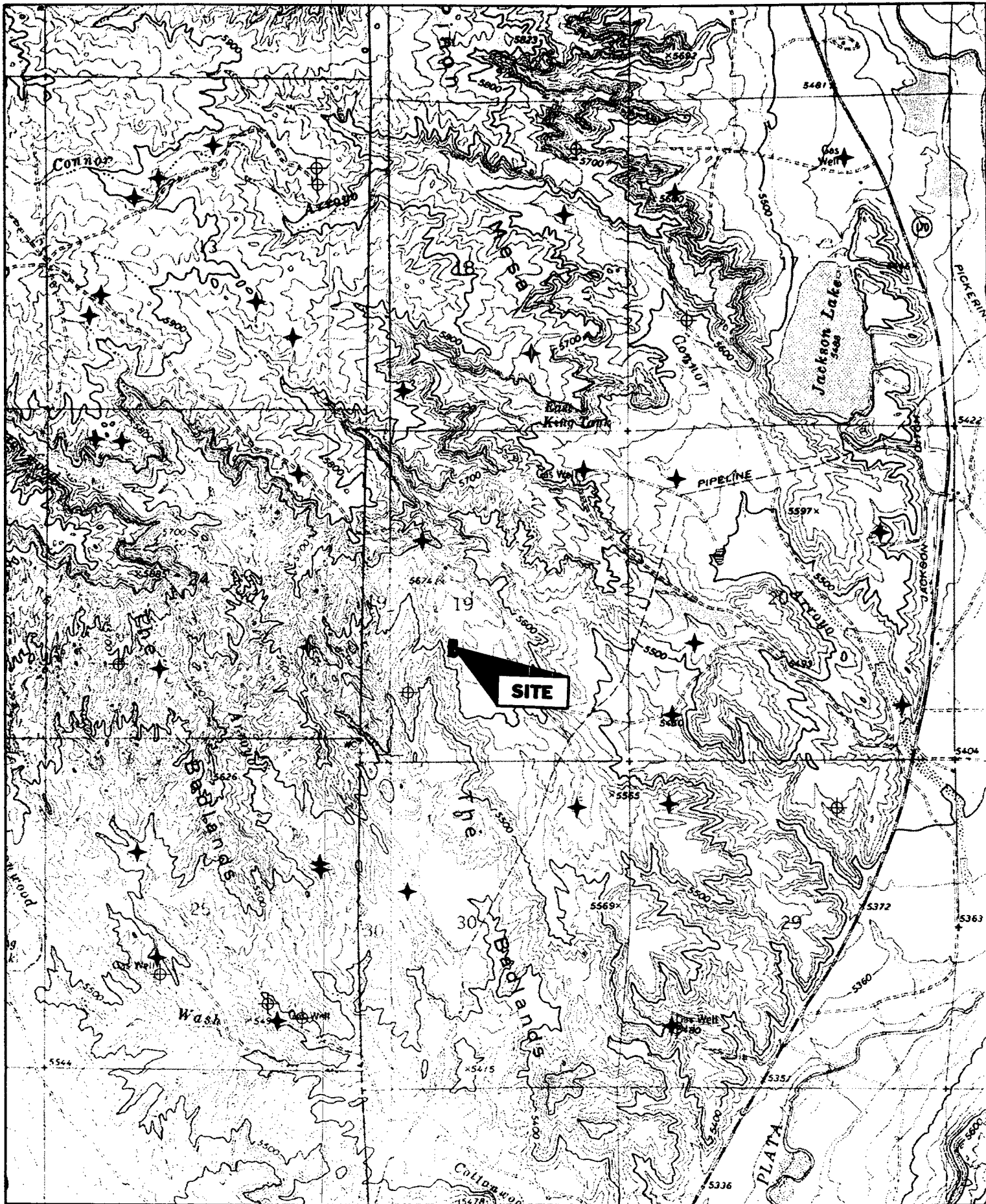
estions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT F



Name: FARMINGTON NORTH
 Date: 9/9/2004
 Scale: 1 inch equals 2000 feet

Location: 036.7981656° N 108.2446912° W
 Caption: 19, 20N-13W

EXHIBIT 