

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

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May 27, 1980

New Mexico Oil Conservation Division Attention: Mr. Joe Ramey P.O. Box 2088 Santa Fe, NM 87501

Gentlemen:

NWH dedicated In accordance with New Mexico Oil Conservation Division Rule 104, Yates Petroleum Corporation respectfully requests administrative approval of a nonstandard location for the Duncan "LH" Federal Well No. 1-y in Chaves County, New Mexico. The requested location is 754 feet from the north line and 2,109 feet from the west line of Section 3, T8S, R25E, N.M.P.M. The subject well was completed as an Abo gas well on November 15, 1979.

Pursuant to Rule 104, nonstandard location approval is requested for topographic reasons. The Duncan "LH" Federal Well No. 1 was approved on September 20, 1979, for standard location at 710 feet from the north line and 1,980 feet from the west line of Section 3. This well was spudded on September 25, 1979, and drilled to a depth of 1,330 feet with severe circulation and hole control problems. On October 4, 1979, the surface started caving in beneath the rig. The U. S. Geological Survey was contacted for plugging instructions and approval was obtained to skid the rig to the Duncan "LH" Federal Well No. 1-y location, subject to NMOCD approval of the nonstandard location.

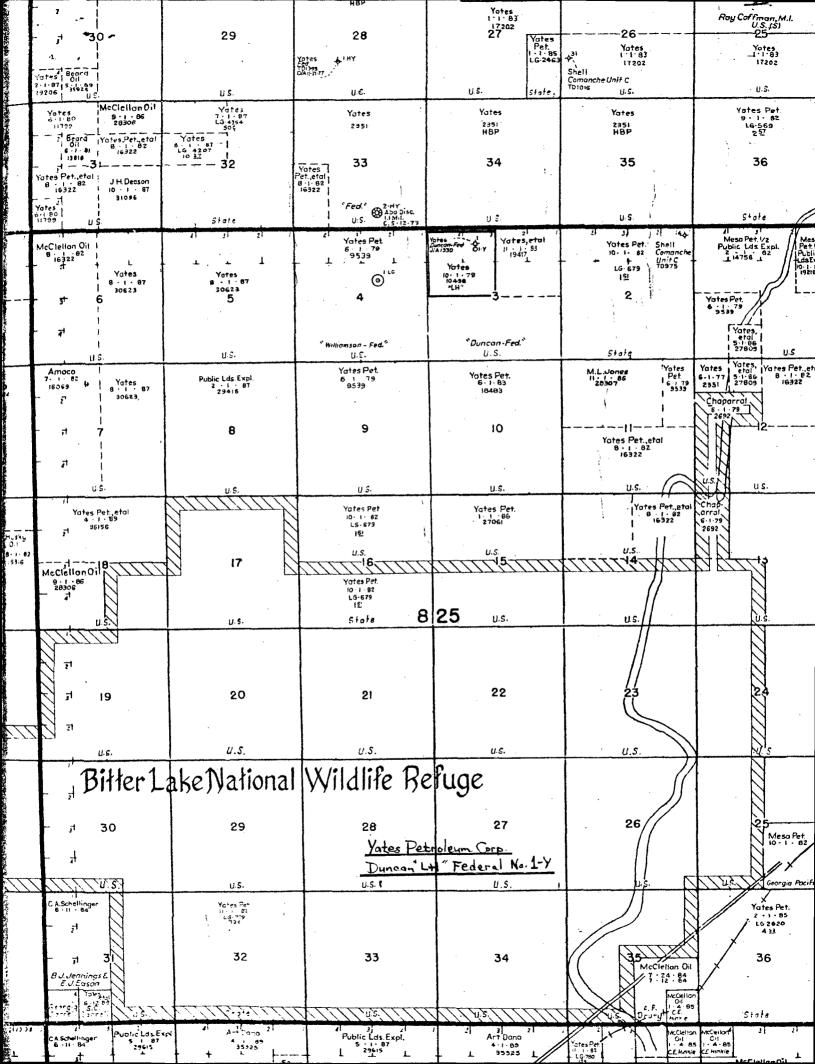
In support of this application enclosed are copies of a topographic map and an ownership plat. Yates Petroleum Corporation is the sole offset operator.

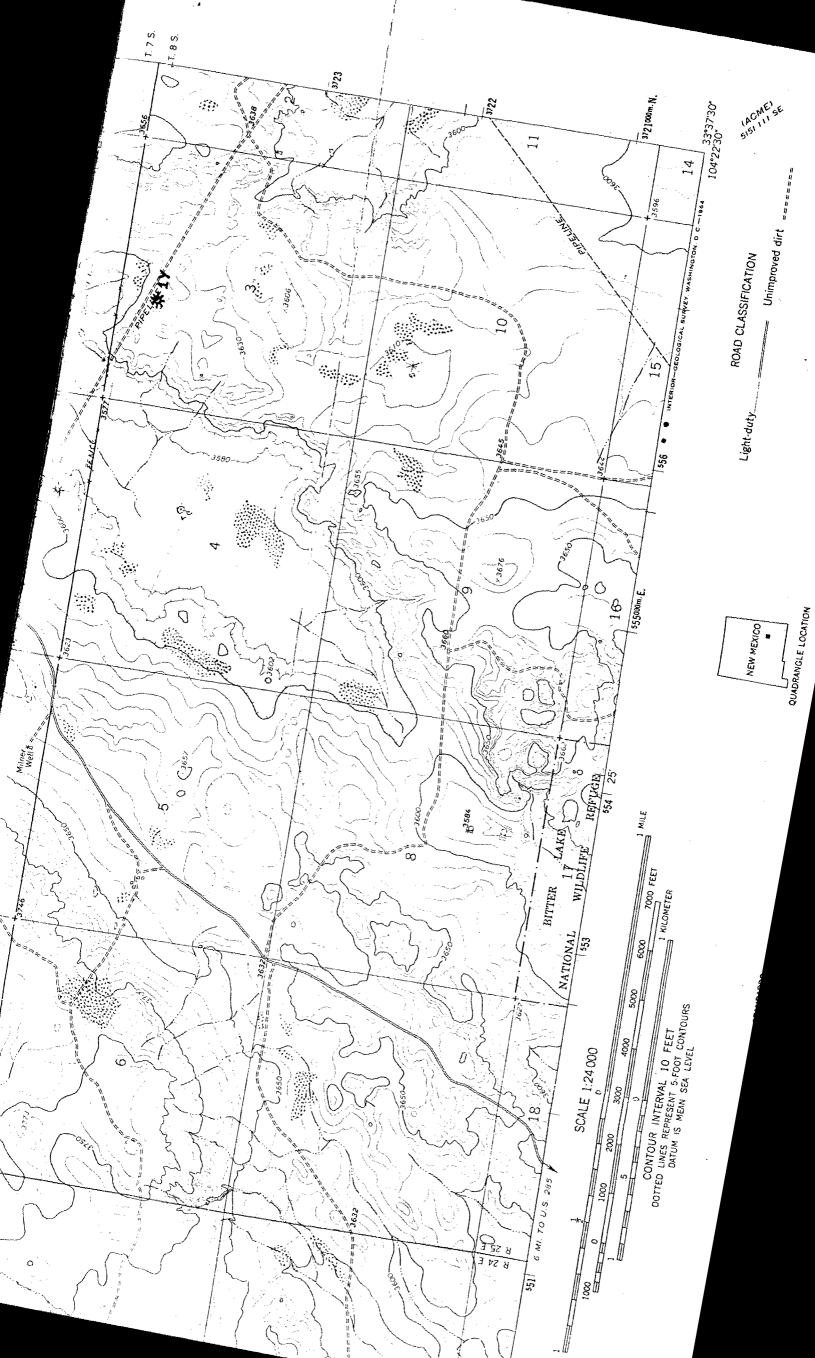
Sincerely yours,

Albert R. Stall Engineer

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Enclosures





STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

May 29, 1980

POST OFFICE BOX 2089 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210

> Re: Application for Non-Standard Location: Duncan "LH" Federal Well

> > No. 1Y, Sec. 3, T-8-S, R-25-E,

Chaves County, New Mexico

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

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A plat must be submitted clearly showing the ownership of the offsetting leases.

A statement must be submitted that offset owners have been notified of the application by certified mail.

A plat must be submitted fully identifying the topography necessitating the non-standard location.

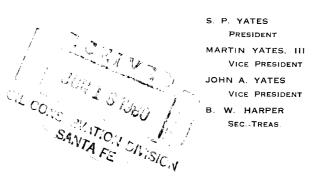
Other: There must be a showing why the well could not be skidded to a legal location in the same quarter-quarter section.

R. L. STAMETS Technical Support Chief

RLS/dr



207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210 TELEPHONE (505) 746-3558



June 13, 1980

New Mexico Oil Conservation Division Attention: R. L. Stamets, Technical Support Chief P.O. Box 2088 Santa Fe, NM 87501

Gentlemen:

Enclosed is the additional information you requested for our application for non-standard location of the Duncan "LH" Federal Well No. 1Y, Section 3, T8S-R25E, in Chaves County, New Mexico.

This map shows why the well could not be skidded to a legal location in the same quarter-quarter section. Please note the two 30" gas lines to the north, the reserve pit to the south, and the ridge of the slope to the west.

The topographic and pipeline limitations left us with only the eastsoutheast direction in which to skid the rig.

Hopefully this information is sufficient to allow you to process our application, but if not, please call us again.

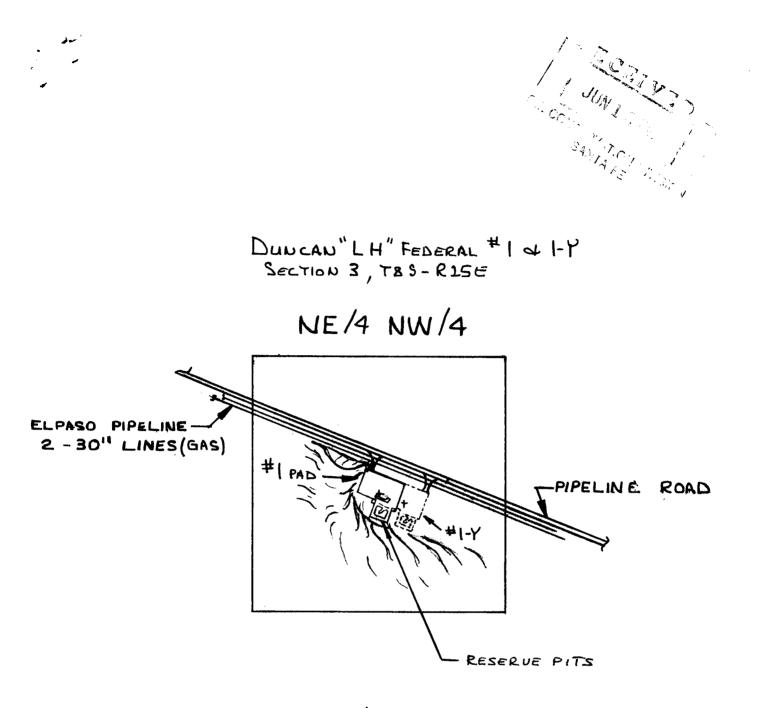
Sincerely,

Theiro lorgy

Gliserio Rodriguez Geographer

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Enclosure



PAD FOR #1 - 710'FNL - 1980'FWL PAD FOR #1-Y 754'FNL - 2109'FWL