



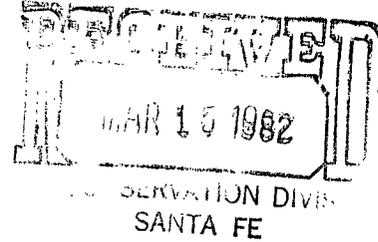
207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331

*NSL-1505
Rule 104 F
Wolfcamp - Remox/lanas
Waiver in
Immediato*

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

March 12, 1982

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



Attention: Mr. Richard Stamets

Re: Pending Application for Approval of
Unorthodox location - #3 Oakason "NV"
Federal, Sec. 34, T19S, R24E,
Eddy County, New Mexico

*2030 N
1650 E*

Dear Mr. Stamets:

Enclosed is the geologic information supporting our pending application for administrative approval of the unorthodox location of our proposed Oakason "NV" Federal #3 Well. The only offsetting operator other than Yates is Amoco Production Company, which has waived objections to the unorthodox location. I have enclosed a copy of their waiver.

We would appreciate it if you would consider this application at your earliest convenience. If you require further information, please contact me.

Thank you for your assistance.

Yours very truly,

RANDY G. PATTERSON
Land Department

Robert J. Laughlin
Robert J. Laughlin

*Rec'd
3-23-82*

RJL/bh
Enclosures

cc/w enc.: W. A. Gressett



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

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S. P. YATES
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SEC. TREAS.

GEOLOGIC CONDITIONS
FOR
UNORTHODOX LOCATION
OF THE
YATES PETROLEUM CORPORATION #3 OAKASON "NV" FEDERAL
2030' FNL & 1650' FEL Section 34-19S-R24E

Yates Petroleum Corporation respectfully requests administrative approval for the unorthodox location of its proposed Oakason "NV" Federal #3 to be drilled 2030 feet from the North line and 1650 feet from the East line of Section 34, Township 19 South, Range 24 East, Eddy County, New Mexico. The North half of Section 34 would be dedicated to the well.

The necessity for this unorthodox location is based upon geologic and topographic conditions. The movement of the location from the orthodox 1980' FEL to the unorthodox 1650' FEL is based upon geologic conditions. Exhibits #2 and #3 and the written discussion pertaining to them address the geologic conditions. The movement of the location from the orthodox 1980' FNL to the unorthodox 2030' FNL was done at the request of the Bureau of Land Management. The BLM personnel believed that the 1980' FNL location was too close to a draw and requested that Yates move the location 50 feet to the South. Exhibit #4 pertains to the topographic conditions.

Exhibit #1 is a land plat showing the proposed location and its relationship to the surrounding acreage situation. Yellow denotes acreage in which Yates has full or partial operating rights. The proration unit is outlined in red.

Exhibit #2 is an isopach map showing the varying thickness of the Morrow Clastics (from the top of the Morrow Clastics to the pre-Morrow unconformity). Wells located along or close to the axes of Morrow Clastics "thicks" have a much better chance of encountering economically successful gas-productive Morrow channel sands. For example, the Oakason "NV" #1 and the Oakason "NV" #2 (both in Section 27 of T19S-R24E), which are located along the axis of the "thick", have encountered good gas-productive Morrow channel sands.

Exhibit #3 is an annotated excerpt from the Compensated Neutron - Formation Density Log of the Yates #1 Oakason "NV" in the South half of Section 27-19S-24E. Shown on this log are the pertinent tops and isopach intervals picked by correlation.

Exhibit #4 is a topographic sheet showing the proposed location. It may be noted that the additional 50 feet from the North line of the section does move the location away from the draw.

In summary, the proposed unorthodox location would enable the borehole to penetrate the axis of the Morrow Clastics "thick" in the North half of Section 34. It is anticipated that penetration of the axis of this "thick" will increase the chances

of encountering one or more Morrow channel sands. In addition, by not drilling a direct offset to the Oakason "NV" 31 (SW/SE Section 27, T19S-R24E) chances of not penetrating the same sandbody that was found in that well, and which is now partially depleted, are improved. The movement of the location an additional 50 feet from the North line of the section was requested by the Bureau of Land Management for topographic reasons.

The above discussion of geologic and topographic conditions was written and Exhibits #2, #3 and #4 were prepared by Ray Beck. Exhibit #1 was prepared under his direction. Ray Beck is employed by Yates Petroleum Corporation as a geologist in Artesia, New Mexico, and has been accepted as an expert witness by the New Mexico Oil Conservation Division on numerous occasions.

Verification

STATE OF NEW MEXICO)
 : ss.
 COUNTY OF EDDY)

Ray Beck, being first duly sworn upon his oath, deposes and says: that he has read and is familiar with the information and allegations set forth above and that the same are true and correct to the best of his information, knowledge and belief.

Ray Beck

 RAY BECK

SUBSCRIBED AND SWORN TO AND ACKNOWLEDGED before me this 12th day of March, 1982.

My commission expires:
 June 27, 1984

Betty Lynn Hodges

 Notary Public

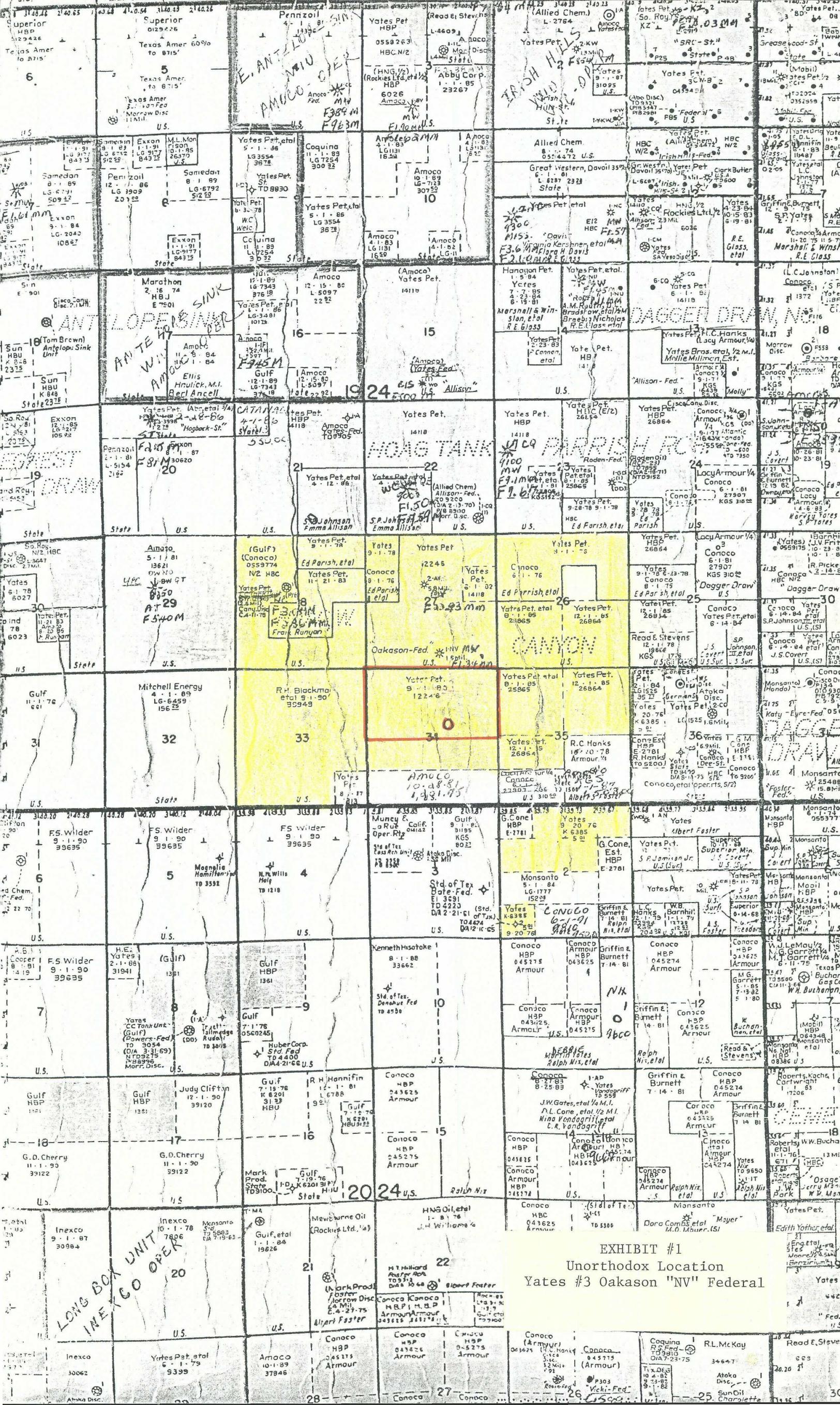


EXHIBIT #1
Unorthodox Location
Yates #3 Oakason "NV" Federal

LONG BOX UNIT
INEXCO OPER

ANTLOPE SINK

HOAG TANK

CANYON

DAGGER DRAW

DAGGER DRAW

Superior HBP
Texas Amer 60%
to 8715'

Yates Pet HBP
0558263
HBC/N2

Yates Pet HBP
6026
Amoco

Allied Chem
6-1-74
0504472 U.S.

Yates Pet
30W-B-2
7-1-81

Yates Pet
30W-B-2
7-1-81

Exxon
9-1-84
LG-2043
10867

Yates Pet
5-1-86
LG3554
3678

Amoco
4-1-83
LG1131
1650

Yates Pet
5-1-86
LG3554
3678

Yates Pet
5-1-86
LG3554
3678

Yates Pet
5-1-86
LG3554
3678

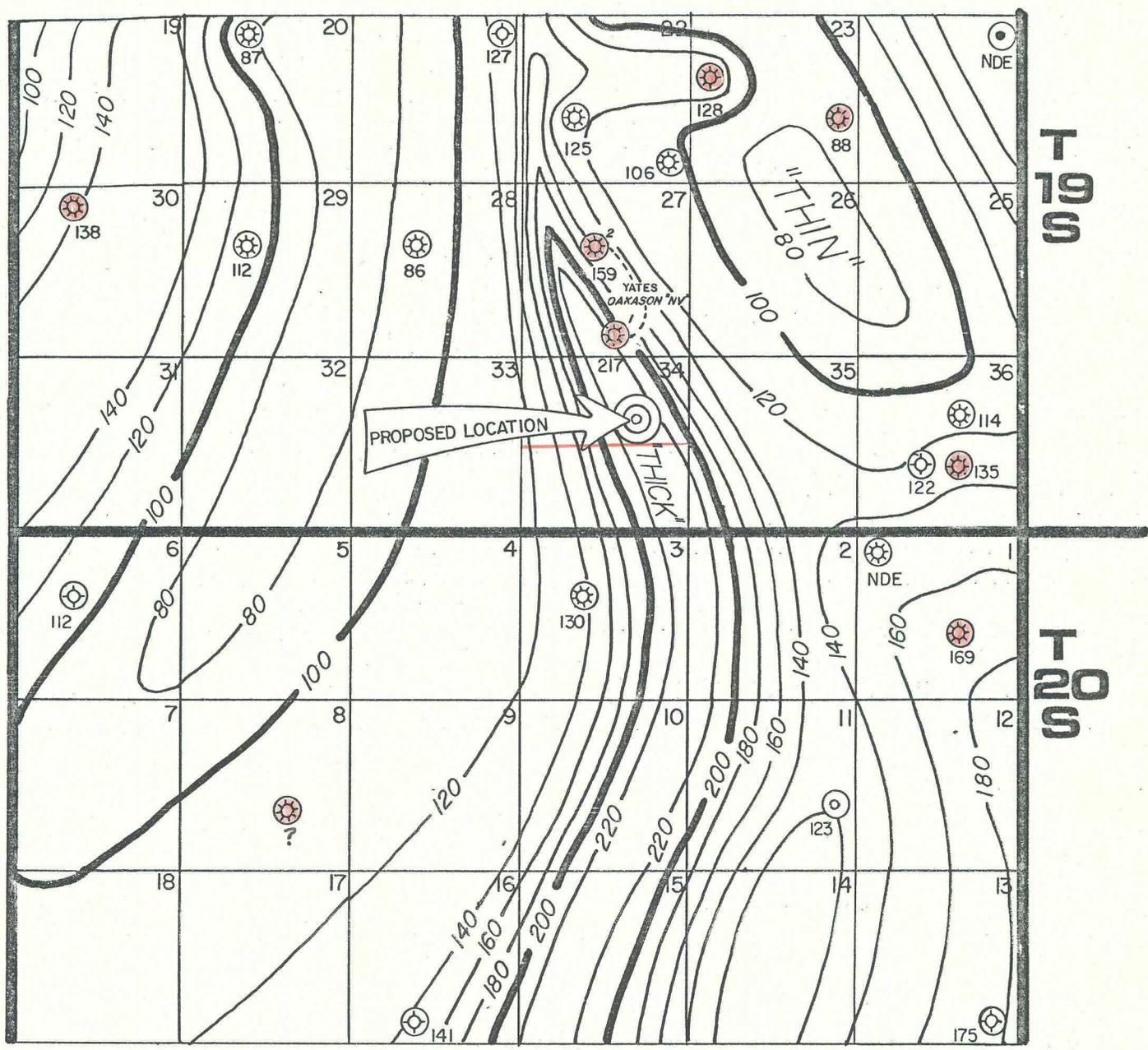
Marathon
2-1-74
HBJ
E 7501

Yates Pet
5-1-86
LG3554
3678

Amoco
12-15-80
L 5097
2292

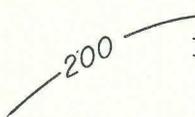
Yates Pet
5-1-86
LG3554
3678

R-24-E



LEGEND

- ⊙ Morrow Penetration
- 125 — Thickness Of Morrow Clastics
- ⊗ Morrow Producer
- ⊕ Producing From Horizons Other Than Morrow


 Isopach Contours Of Morrow Clastics
 C.I.= 20 Feet



Amoco Production Company (USA)

500 American Building
510 East 10th
Houston, Texas 77001

Telecopier # 505-746-6480

March 4, 1982

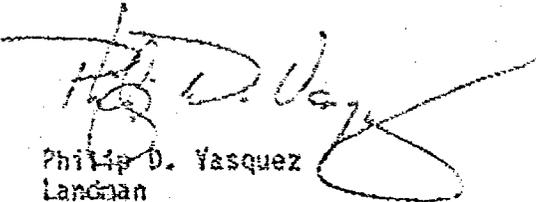
Re: Proposed Well
N/2 Section 34
T-19-S, R-24-E, N.H.P.M.
Eddy County, New Mexico

Tates Petroleum Corporation
207 South Fourth Street
Artesia, NM 88210

Gentlemen:

Amoco Production Company hereby waives all objections to the unorthodox location of your proposed well being 1980' FNL and 1650' FEL of Section 34, T-19-S, R-24-E, N.H.P.M., Eddy County, New Mexico.

Yours very truly,


Phillip D. Vasquez
Landman

PDV/sg
603/D

orig to Rod
copy
3-4-82