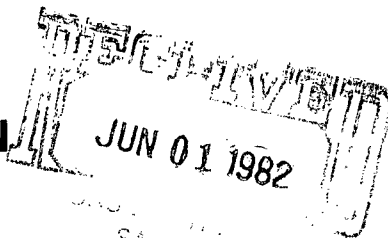




207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



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

May 24, 1982

*NSL - 15-41
Wolfcamp & Pennsylvanian fms
Rule 104 F
6-21-82*

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Re: Long Arroyo "MQ" Fed. #2
Lease No. NM-19181
Section 26-T14S-R27E
660' FNL & 990' FEL
Chaves County, New Mexico

Dear Sir:

Yates Petroleum Corporation requests administrative approval of an unorthodox gas well location as provided for under NMOC Rule 104F.

The referenced well requires the north half of Section 26 be dedicated to it. We think the best channel sand is at 660' FNL & 990' FEL. Hence, this request is for geologic reasons. Geologic data will be mailed by separate envelope.

Following are the formations we expect to drill through:

San Andres
Abo
Wolfcamp Lime
Cisco
Lower Canyon

Strawn
Atoka
Morrow Clastics
Chester
Mississippian Lime

The offset lease holders are being notified by certified copies of this letter and asked to submit a waiver for the non-standard location to your office.

Thank you for your immediate attention on this request and if there are any questions, please call me.

Sincerely,

Gliserio Rodriguez
Gliserio Rodriguez
Regulatory Manager
YATES PETROLEUM CORPORATION

cc : Mountain States Pet., Energy Reserve Grp., Depco, Mrs. R. J. Fuller
GR/dw

Energy Reserves Group, Inc.
P.O. Drawer 2437, Zip 79702
1509 West Wall Street
Midland, Texas
Phone 915 682 2591



June 11, 1982

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87503

Attention: Mr. Joe Ramsey

RE: Long Arroyo "MQ" Fed #2
Lease No. NM-19181
Section 26, T-14-S, R-27-E
Chaves County, New Mexico
ERG - NM-97

Gentlemen:

This has reference to a letter dated May 24, 1982 from Yates Petroleum Corporation to the Commission regarding an unorthodox location for the subject well.

This is to advise you that Energy Reserves Group, Inc. has no objection to this non-standard location.

Very truly yours,



W. H. Trumbo
Landman
West Texas

hh

cc: Tim Gum - ERG-Midland

JUN 01 1982

P 243 001 083

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		The H. Miller	
STREET AND NO.		7200 Taylor Drive	
P.O. STATE AND ZIP CODE		Dallas, Texas 75227	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES			
OPTIONAL SERVICES		CERTIFIED FEE	
RETURN RECEIPT SERVICE		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		5/26/82	

P 243 001 080

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		Mountain State Bldg	
STREET AND NO.		Box 1936	
P.O. STATE AND ZIP CODE		Lawville, TN 37077	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES			
OPTIONAL SERVICES		CERTIFIED FEE	
RETURN RECEIPT SERVICE		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		5/26/82	

P 243 001 082

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		Alanco, Inc	
STREET AND NO.		1000 Federalway Bldg	
P.O. STATE AND ZIP CODE		Albany, Co. 80202	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES			
OPTIONAL SERVICES		CERTIFIED FEE	
RETURN RECEIPT SERVICE		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		5/26/82	

P 243 001 081

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

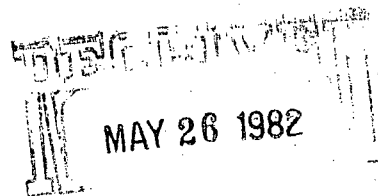
SENT TO		Tangerine Co. Assoc. Shop	
STREET AND NO.		Box 2937	
P.O. STATE AND ZIP CODE		Midland, Texas 79702	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES			
OPTIONAL SERVICES		CERTIFIED FEE	
RETURN RECEIPT SERVICE		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		\$	
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S. P. YATES
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B. W. HARPER
SEC. TREAS.



GEOLOGIC CONDITIONS
FOR THE
UNORTHODOX LOCATION
OF THE

YATES PETROLEUM CORPORATION #2 LONG ARROYO "MQ" FEDERAL
660' FNL & 990' FEL Section 26 14S-27E

Yates Petroleum Corporation respectfully requests administrative approval for the unorthodox location of its proposed Long Arroyo "MQ" Federal #2 to be drilled 660 feet from the North line and 990 feet from the East line of Section 26, Township 14 South, Range 27 East, Chaves County, New Mexico. The North half of Section 26 would be dedicated to the well.

The necessity for this unorthodox location is based upon geologic 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 clastic. Although strike-fed, thinner sands along Morrow clastics "thins" may produce gas in quantities varying from sub-economic to economic, wells located along or close to the axes of Morrow clastics "thicks" have a much better chance of encountering the more economically successful, gas-productive, dip-fed, thicker Morrow clastics channel sands.

According to the present interpretation of extant data, a well drilled at the proposed location should encounter a Morrow clastics "thick" and one or more channel sands.

Exhibit #3 is an annotated excerpt from the Compensated Neutron-Formation Density log of the Yates #1 Long Arroyo "OW" Federal in the West half of Section 23 T14S-R27E (approximately 4000 feet to the northwest of the proposed location). Shown on this log are the pertinent tops and Morrow clastics isopach interval picked by correlation.

In summary, the proposed non-standard location is the best allowable location in the North half of Section 26 which would enable the bore hole to penetrate the axis of a Morrow clastics "thick". It is anticipated that the penetration of the axis of this "thick" will increase the chances of encountering one or more Morrow channel sands.

The above discussion of geologic conditions and Exhibits #2 and #3 were prepared by Ray Beck and 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 previous occasions.

7900

184'
Morrow
Clastics
thickness

8000

8100

Caliper

GR

PCNI

PFDC

Schlumberger

COMPENSATED NEUTRON
FORMATION DENSITY

COUNTY CHAVES	FIELD WILDCAT	LOCATION LONG ARROYO "OW"	WELL FEDERAL # 1	COMPANY YATES PETRO. CORP.	COMPANY <u>YATES PETROLEUM CORPORATION</u>				
					WELL <u>LONG ARROYO "OW" FEDERAL #1</u>				
					FIELD <u>WILDCAT</u>				
					COUNTY <u>CHAVES</u> STATE <u>NEW MEXICO</u>				
LOCATION					2310' FSL & 1830' FWL				
API SERIAL NO.					SEC.	TWP.	RANGE		
					23	14 S	27 E		
Permanent Datum: <u>GL</u>					Elev.: <u>3505</u>			Elev.: K.B. <u>3517</u>	
Log Measured From <u>KB</u>					<u>12</u> Ft. Above Perm. Datum			D.F. <u></u>	
Drilling Measured From <u>KB</u>								G.L. <u>3505</u>	
Date	5-8-81								
Run No.	ONE			YATES PETRO. CORP.					
Depth-Driller	8232			GEOLOGICAL					
Depth-Logger	8185								
Btm. Log Interval	8184								
Top Log Interval	SURF								
Casing-Driller	8 5/8 @ 1585			@					
Casing-Logger	1587								
Bit Size	7 7/8								
Type Fluid in Hole	KCL POLYMER			CONT					
Dens.	Visc.	9.0 45							
pH	Fluid Loss	9.0 9.2 ml		ml ml ml ml					
Source of Sample	PIT								
Rm @ Meas. Temp.	.151 @ 78 F			@	F	@	F	@	F
Rmf @ Meas. Temp.	.124 @ 80 F			@	F	@	F	@	F
Rmc @ Meas. Temp.	@ F			@	F	@	F	@	F
Source: Rmf	Rmc	M							
Rm @ BHT	.094 @ 129 F			@	F	@	F	@	F
Circulation Stopped	0430								
Logger on Bottom	1145								
Max. Rec. Temp.	129 F			F	F	F	F	F	F
Equip.	Location	8215 RSWL							
Recorded By	NEUMANN								
Witnessed By	HARRIS								

Exhibit #3
Unorthodox Location
Yates #2 Long Arroyo "MQ" Fed

7800

7846
Normal
Clastic

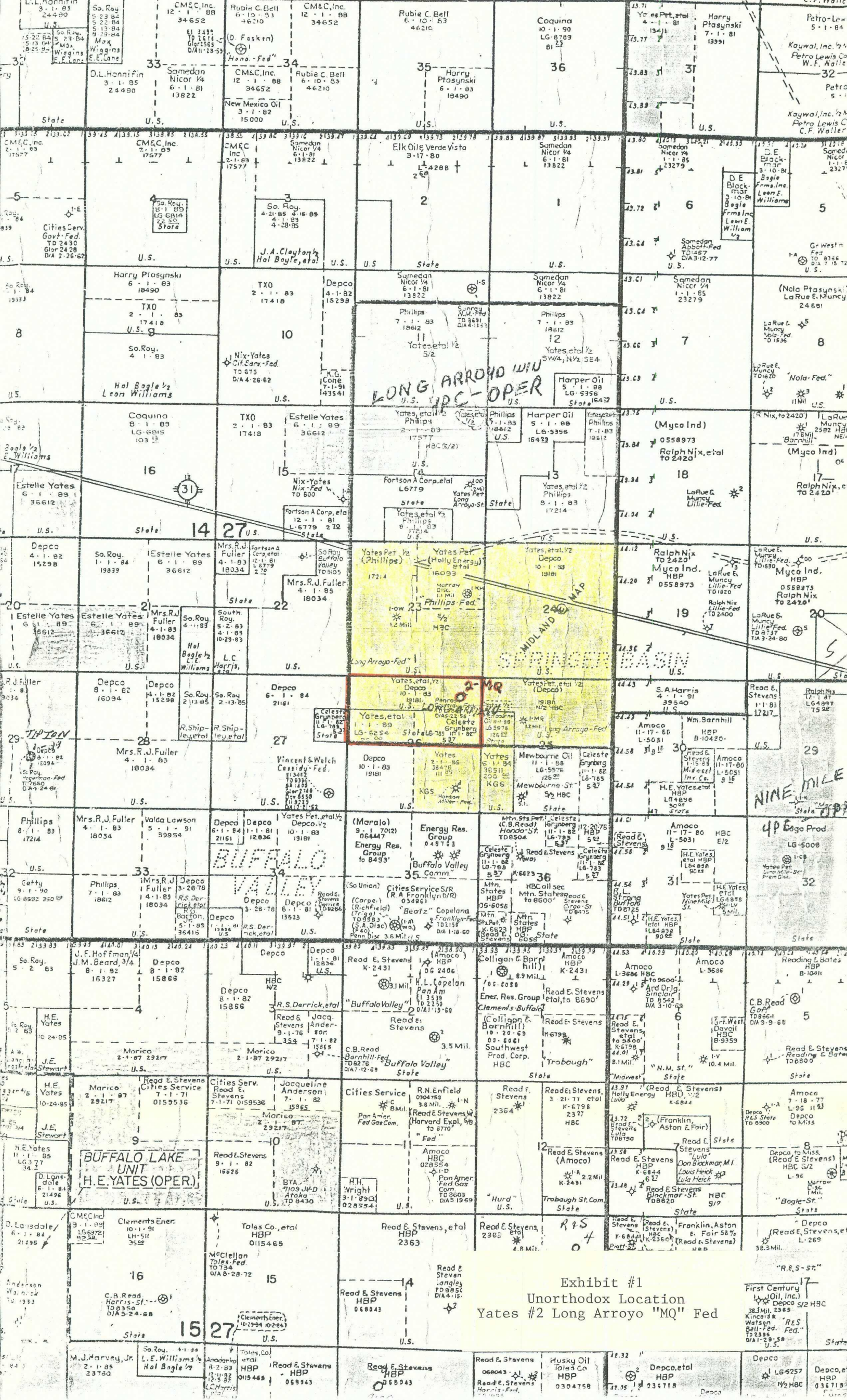
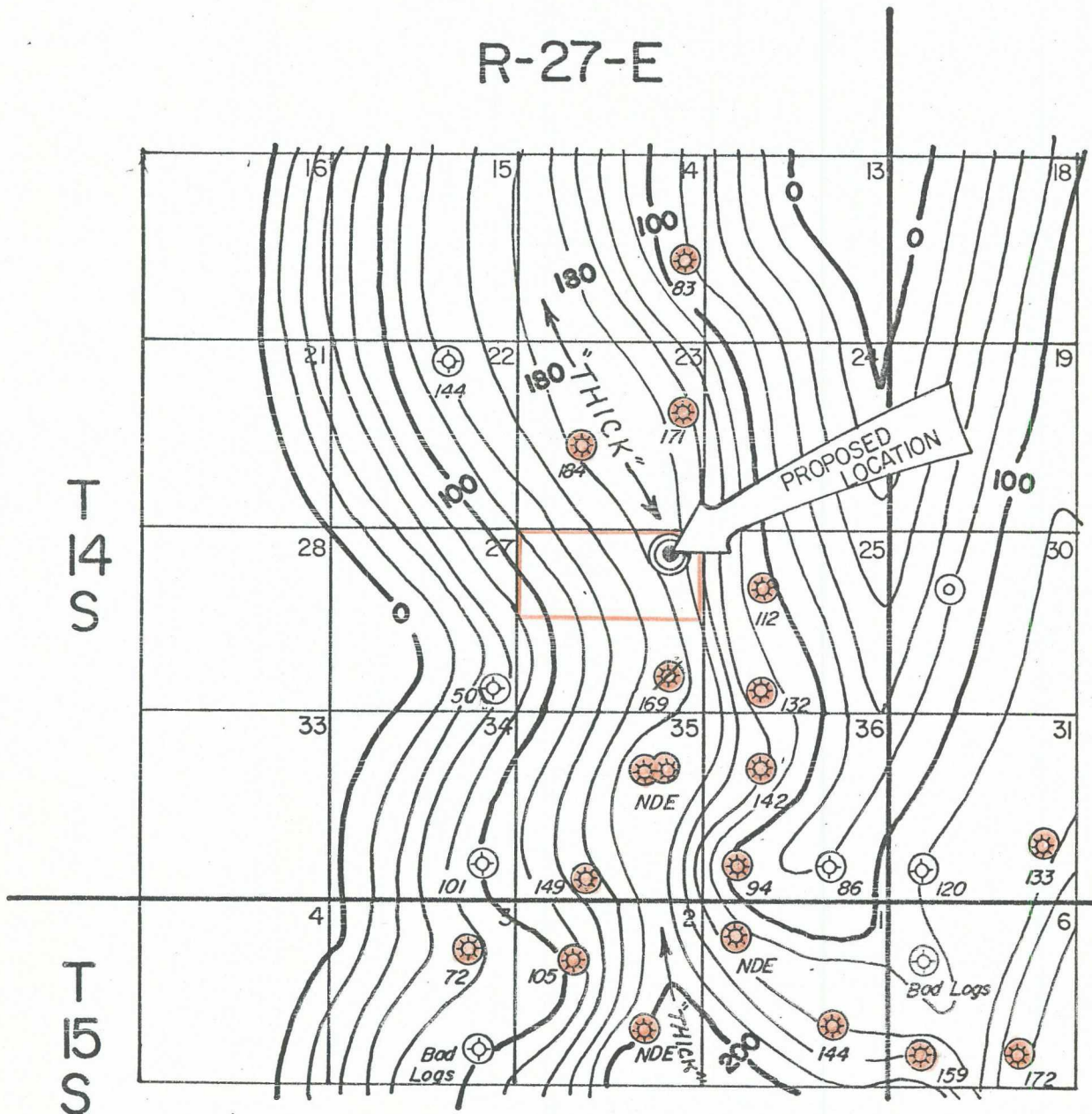


Exhibit #1
Unorthodox Location
Yates #2 Long Arroyo "MQ" Fed

R-27-E



LEGEND



Morrow Penetration



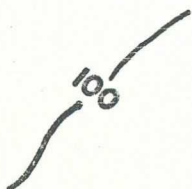
Morrow Clastics Thickness



Morrow Clastics Producers



Producing From Horizons Other Than Morrow



Isopach Contours

C. I. = 20 ft.

Exhibit #2
Unorthodox Location
Yates #2 Long Arroyo "MQ" Fed



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 26, 1982

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Yates Petroleum Corp.
207 South Fourth Street
Artesia, New Mexico 88210

Re: Application for Non-Standard
Location: Long Arroyo "MQ" Federal
Well No. 2, Sec. 26, T-14-S, R-27-E
Chaves County, N.M.

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

- ☐ 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: A signed application must be submitted.

Very truly yours

R. L. STAMETS
Technical Support Chief

RLS/dr