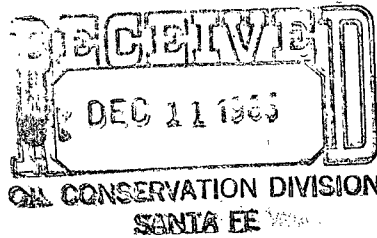


Release 12-31-85



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



B4 DRC

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

December 6, 1985

NSL-2209
RULE-104F(1)

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

Wildcat Atoka Pool
Ded Acreage 389 acres
All g Section 2

ATTENTION: Mr. Richard Stamets, Secretary-Director

RE: Tenneco ADP State Com #1
330' FSL and 990' FEL of
Section 2-T11S-R34E
Lea County, New Mexico

Dear Mr. Stamets:

The above named well was originally drilled by Petroleum Reserves Corporation as their Tenneco State #1 in 1978 to a depth of 13180'. It was completed as a Devonian oil well in May, 1978 and is presently being produced.

Yates Petroleum Corporation is to become the operator and wishes to plug off the Devonian and complete the well in the Atoka formation around 11900' as a gas well. Three leases, V-1612, V-683 and L-3025, will be communitized and the whole section, 389 acres more or less, will be dedicated.

Yates Petroleum Corporation would appreciate an administrative approval of this unorthodox wildcat Atoka location as provided for under NMOCD Rule 104F.

Enclosed please find a copy of the lease map showing offsetting lease operators and a copy of the original survey plat. Offsetting operators have been notified by certified mail, via a xerox copy of this letter. A copy of the certification is also enclosed.

Sincerely,

Clifton R. May
by: Rusty Jackson
Clifton R. May
Regulatory Agent

CM:rj

Enclosures

cc: Exxon Company, USA
P. O. Box 1700
Midland, TX 79702

Conoco, Inc.
P. O. Box 460
Hobbs, NM 88240

All distances must be from the outer boundaries of the Section.

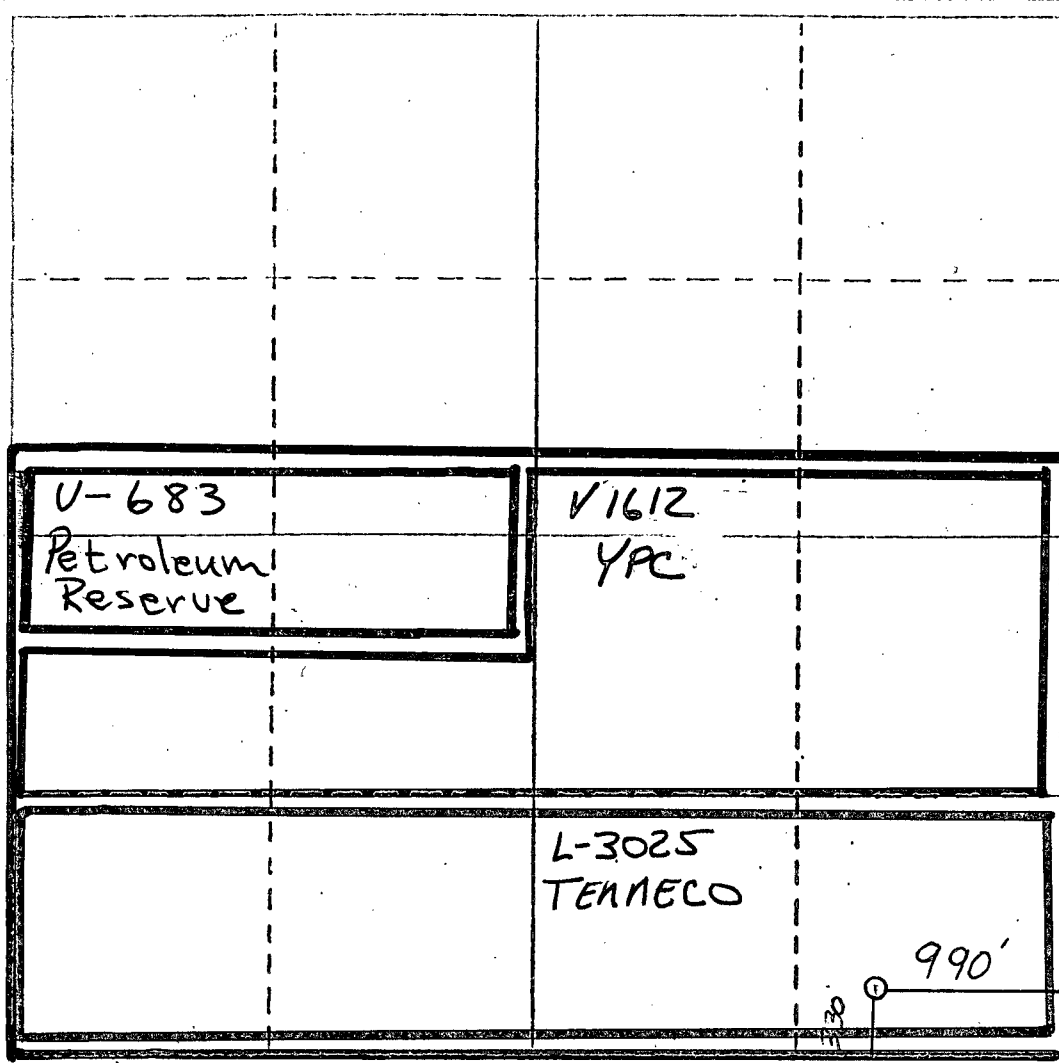
Operator YATES PETROLEUM CORPORATION			Lease TENNECO ADP STATE COM			Well No. 1
Unit Letter	Section	Township	Range	County		
P	2	11S	34E	Lea		
Actual Footage Location of Well:						
330 feet from the South line and		990 feet from the East line				
Ground Level Elev. 4133.6'		Producing Formation ATOKA		Pool Wildcat		Dedicated Acreage: 389+- Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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 **Communitization**

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 Division.



CERTIFICATION

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

Cy Cowan
Name
Cy Cowan

Position
Regulatory Agent

Company
Yates Petroleum Corporation

Date
December 9, 1985

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.

REFER TO ORIGINAL PLAT.
Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

P 180 948 728

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Conoco, Inc.
Street and No.	
P. O. Box	460
P.O., State and ZIP Code	Hobbs, NM 88240
Postage	\$
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	\$
Postmark or Date	December 9, 1985
	Tenneco ADP St. Com #1
	unortho letter

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

CERTIFIED

P 180 948 728

MAIL

P 180 948 727

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Exxon Company, USA
Street and No.	
P. O. Box	1700
P.O., State and ZIP Code	Midland, TX 79702
Postage	\$
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	\$
Postmark or Date	December 9, 1985
	Tenneco ADP State Com #1
	unortho letter

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

CERTIFIED

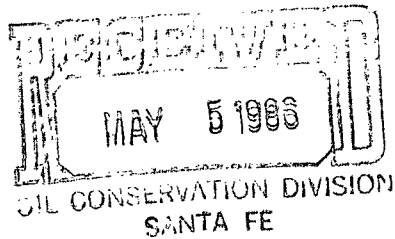
P 180 948 727

MAIL

KRITI Exploration, Inc.

KRITI

One Allen Center, Suite 2700
500 Dallas Street
Houston, Texas 77002
(713) 655-7070
Telex 795206



April 30, 1986

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

Attention: Richard Stamets

Re: Approval of Unorthodox Wildcat
Atoka Location
Lea County, New Mexico

Gentlemen:

Attached herewith please find a fully executed copy of the Waiver in which Kriti Exploration states it has no objection to Yates' unorthodox wildcat Atoka location for their Tenneco ADP State #1 Well located in Section 2, Township 11 South, Range 34 East, Lea County, New Mexico.

Very truly yours,

Jack E. Wheeler
Vice President - Land and Legal

JEW:blw
attachment



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.

April 2, 1986

RE: Tenneco ADP State #1
330' FSL and 990' FEL of
Section 2-T11S-R34E
Lea County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 207 South Fourth Street, Artesia, NM 88210, to the attention of Rusty Jernigan, and one (1) copy to New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501, to the attention of Mr. Richard Stamets, if you have no objections to the proposed unorthodox wildcat Atoka location listed above. A xerox copy of a letter to Mr. Richard Stamets, Secretary-Director of NMOC in Santa Fe, New Mexico, is attached to tell you of our intentions.

W A I V E R

As an offset operator, Kriti Exploration, Inc., has no objection to the unorthodox wildcat Atoka location for the well listed above.


Signature

Vice President - Land and Legal
Title

April 30, 1986
Date