



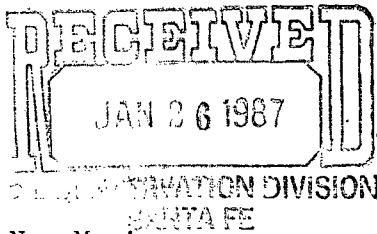
Release 2-16-86

Coastal Oil & Gas Corporation
a subsidiary of The Coastal Corporation

By DL

Dinero Plaza
1004 North Big Spring St.
P. O. Box 235
Midland, Texas 79702-0235

915/682-7925



January 22, 1987

NSL-2322
RULE-104 F (I)

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

North Tulk Abo - 40 Acres
NE14 NE14 Section 27

Gentlemen:

Please find attached a Form C-102, acreage dedication plat concerning our State "27" #3 well, located 990' FNL & 1300' FEL, Section 27, T-14-S, R-32-E, Lea County, New Mexico. This well is being recompleted from the Penn formation to the Abo formation.

This well was approved originally as an unorthodox Penn location, and we now apply for, by copy of this letter, approval for an unorthodox Abo location. We have properly notified offset operators of this application, as seen by the attached copies of the return receipts.

Should any additional information be needed or any questions arise concerning this application, please advise.

Sincerely,

Bobby L. Smith
Bobby L. Smith
Petroleum Engineer

BLS/sc

Remarks: The above described well was previously approved as an unorthodox oil well location for the Tulk Pennsylvanian Pool by Division Order No. R-7455, dated February 23, 1984. This order, as per Division Rule No. 104 F (I) authorizes an unorthodox location for the well for the North Tulk Abo Pool.

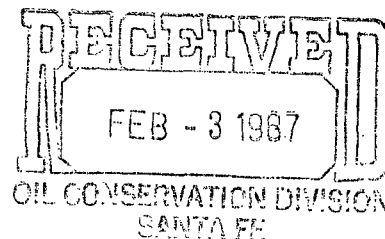


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P. O. Box 235
Midland, Texas 79702-0235

915/682-7925

January 16, 1987



Chevron USA Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Gentlemen:

By copy of this letter, please be advised that Coastal Oil & Gas Corporation is applying for approval of an unorthodox location for our State "27" #3 well, located 1300' FEL & 990' FNL of Section 27, T-14-S, R-33-E, Lea County, New Mexico. This well was previously approved as an unorthodox Penn location, but this application is for an unorthodox Abo location.

We are required to notify you, as an offset leaseholder, of this application.

You could help expedite this matter greatly by signing the waiver below and mailing it to the New Mexico Oil Conservation Division office in Santa Fe, along with a copy to our Midland office. Stamped, self addressed envelopes are enclosed.

Your cooperation in this matter would be greatly appreciated.

Sincerely,

Bobby L. Smith
Bobby L. Smith
Petroleum Engineer

BLS/sc

We have been notified by Coastal Oil & Gas Corporation of their application for an unorthodox Abo location, to be located 1300' FEL & 990' FNL of Section 27, T-14-S, R-33-E, Lea County, New Mexico, and hereby wave any objections to same.

Name: *W. Hollenpiper*
Title: *Division Petroleum Engr.*
Date: *1/28/87*

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8072
Order No. R-7455

APPLICATION OF COASTAL OIL & GAS
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 15, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of February, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Coastal Oil & Gas Corporation, seeks approval of an unorthodox oil well location 990 feet from the North line and 1300 feet from the East line of Section 27, Township 14 South, Range 32 East, NMPM, to test the Pennsylvanian formation, Tulk Pennsylvanian Pool, Lea County, New Mexico.
- (3) That the NE/4 of said Section 27 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

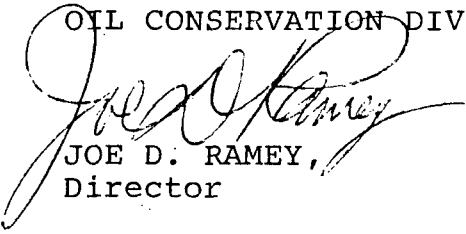
(1) That the application of Coastal Oil & Gas Corporation for an unorthodox oil well location is hereby approved for a well to be located at a point 990 feet from the North line and 1300 feet from the East line of Section 27, Township 14 South, Range 32 East, NMPM, Tulk Pennsylvanian Field, Lea County, New Mexico.

(2) That the NE/4 of said Section 27 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

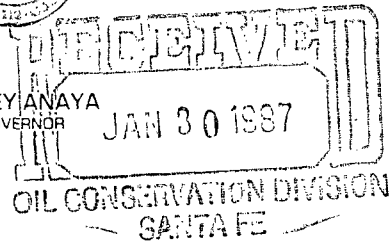

JOE D. RAMEY,
Director

S E A L



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONY ANAYA
GOVERNOR



January 27, 1987

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL XX _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Coastal Oil & Gas Corp.	State 27 #3-A	27-14-32	
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK -- Jerry Sexton

Yours very truly,

Jerry Sexton
Supervisor, District 1

/mc

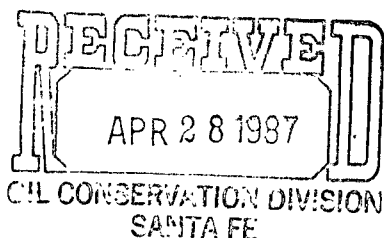


Coastal Oil & Gas Corporation

a subsidiary of The Coastal Corporation

Dinero Plaza
1004 North Big Spring St.
P. O. Box 235
Midland, Texas 79702-0235

915/682-7925



January 16, 1987

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Gentlemen:

By copy of this letter, please be advised that Coastal Oil & Gas Corporation is applying for approval of an unorthodox location for our State "27" #3 well, located 1300' FEL & 990' FNL of Section 27, T-14-S, R-33-E, Lea County, New Mexico. This well was previously approved as an unorthodox Penn location, but this application is for an unorthodox Abo location.

We are required to notify you, as an offset leaseholder, of this application.

You could help expedite this matter greatly by signing the waiver below and mailing it to the New Mexico Oil Conservation Division office in Santa Fe, along with a copy to our Midland office. Stamped, self addressed envelopes are enclosed.

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Sincerely,

Bobby L. Smith
Bobby L. Smith
Petroleum Engineer

BLS/sc

We have been notified by Coastal Oil & Gas Corporation of their application for an unorthodox Abo location, to be located 1300' FEL & 990' FNL of Section 27, T-14-S, R-33-E, Lea County, New Mexico, and hereby wave any objections to same.

YATES PETROLEUM CORPORATION

Name:

Randy A. Williams
Attorney-in-Fact

Title:

Date:

April 27, 1987

EX-2322

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Superseded Edition
Effective 1-1-68

Distances shown are to the date, boundaries of the Section

COASTAL OIL & GAS CORP.		STATE 27		3	
Section	27	Range	14S	Zone	32E
Letter	A	Range	LEA		

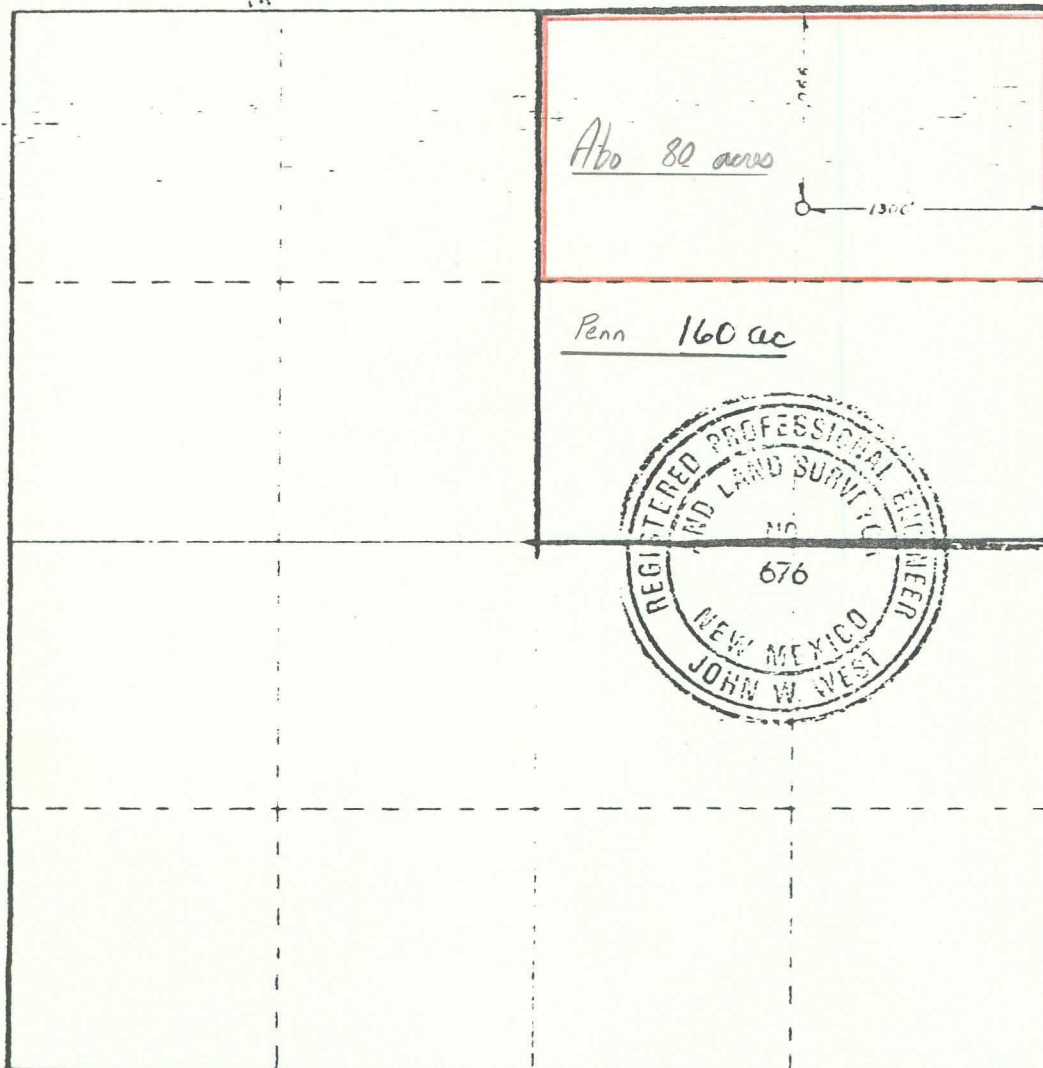
990	feet from the NORTH line and	1300	feet from the EAST
Ground Level Elev.	4304.8	Abo	* Tulk (Abo) * proposed 80'

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 _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (if so 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 Commission.



CERTIFICATION

I hereby certify that the information shown on this plat was obtained 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.

Sue Vanderford
Sue Vanderford

Operations Analyst

Coastal Oil & Gas Corp.

1-16-87

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.

Date: 2/6/84

By: *John W. West*

John W. West
RONALD J. EIDSON, 1-1-68

TD 3356

21

Gulf
1-AT St
TD 13,465

Meadco
1-St 1-21
TD 11,170

22

Coastal O & G
1-State "22"
TD 10,000

SWD

Yates Pet
1-Heyco "YL" St
TD 10,011

2-22

23

Phillips
1-State
TD 3600

Coastal O & G
1-State "23"
TD 10,100

Yates Pet.
1-Coastal "HCT" St
TD 10,219

2-23

28

Yates Pet
1-Dean Rch "XA"
TD 10,090

Felmont
1-28 State
TD 9925

2-"VV"

Yates Pet
1-Tulk St "VV"
TD 10,215

27

Gulf (Kewanee)
1-St NM
TD 10,000

3-27

Chevron

Shell
1-TU St
TD 13,740

1-27

4-27

Kewanee
2-St NM
TD 10,099

Coastal O & G
2-State "27"
TD 10,010

26

Coastal O & G
2-St "26"
TD 10,102

4-26

1-26

3-26

5-26

33

urns
St "32"
D 3990

Champlin
1-33 State
TD 10,200

34

Shell
1-TUA St
TD 10,300

Coastal O & G
1-State "34"
TD 10,050

Sabine
2-Desoto St
TD 10,001

35

Bell
1-Desoto St
TD 9970

Saxon
1-St 35
TD 10,120

MWJ
1-Stevens
TD 10,035

4

Phillips
4-Chem St

3

Phillips
6-Chem St
TD 12,470

Phillips
5-Chem St

Santa Fe
1-State NM "3"

2

9

Sun
1-NMT

10

11

S Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:

Cherion USA Inc.
P.O. Box 670
Albuquerque, New Mexico
88240

4. Type of Service:

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number

P269 099 112

Always obtain signature of addressee or agent and
DATE DELIVERED.

5. Signature - Addressee

X

6. Signature - Agent

Barbara J. Wood

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

1-20-87

DOMESTIC RETURN RECEIPT

S Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:

Yates Petroleum Corp.
105 S. 4th Street
Artesia, New Mexico
88210

4. Type of Service:

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number

P269 099 111

Always obtain signature of addressee or agent and
DATE DELIVERED.

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT