

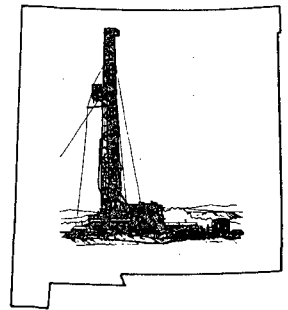
Energy Administrative Services Co.

Oil and Gas

POST OFFICE BOX 458 • ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 623-4940

OIL CONSERVATION DIVISION
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February 5, 1990

Mr. Mike Stogner
New Mexico Energy and Minerals Dept., Oil Conserv. Div.
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox Well Location: 1190' FSL & 990' FEL, Sec. 34-T14S-R27E,
Buffalo Valley "34" Fed. Com., Well No. 1 for Bill Fenn, Inc.

Dear Mr. Stogner:

Bill Fenn, Inc., P.O. Box 569, Giddings, TX 78942 is applying for administrative approval of an unorthodox well location for the above captioned well under the provisions of paragraph F of rule 104 of the New Mexico Conservation Commission Rules and Regulations.

The proposed location meets all of the Buffalo Valley Penn. field rules with the exception of the 330' distance from the quarter-quarter inner boundary. This location was selected for geologic and topographic reasons. The only other acceptable orthodox location, that met the geologic requirements, was 1650' FSL, but the topography prevented using this location. The orthodox 990' FSL location is the existing well site of the Read & Stevens, Inc. Derrick Fed. Com., Well No. 1. Exhibit "A" is a portion of the Derrick Draw U.S.G.S. Topo map showing the two locations. The proposed location is using part of the existing well site.

According to Buffalo Valley rules the offset operators on the south, southeast and east have been notified by certified mail, with three copies of this letter and is asked to indicate waiver of objection, by authorized signature in the space provided, on two copies. The operators are requested to mail one signed copy to Mr. Mike Stogner, New Mexico Oil Conservation Dept., and one signed copy to George R. Smith, Energy Administrative Services Co., in the stamped, self addressed envelopes provided.

Sincerely yours,
ENERGY ADMINISTRATIVE SERVICES CO.

George R. Smith
George R. Smith

encl

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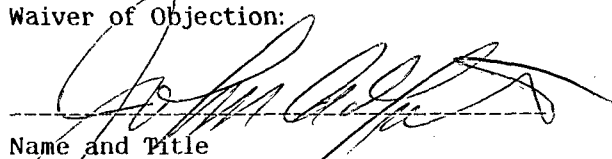
Re: Unorthodox Well Location (as per field and state rules)
Bill Fenn, Inc.
Buffalo Valley "34" Federal Com., Well No. 1
1190' FSL & 990' FEL, Sec. 34-T14S-R27E, Chaves County

cc: Lease No.: NM-53965

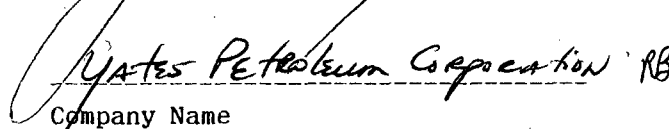
Yates Petroleum Corp.
207 S. 4th St.
Artesia, New Mexico 88210

Read & Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88202

Waiver of Objection:



Name and Title



Company Name



Date

Page 2

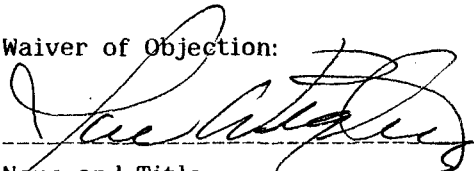
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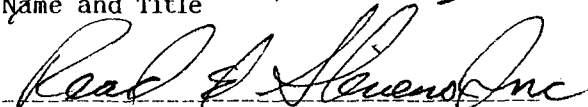
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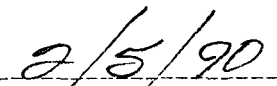
Waiver of Objection:



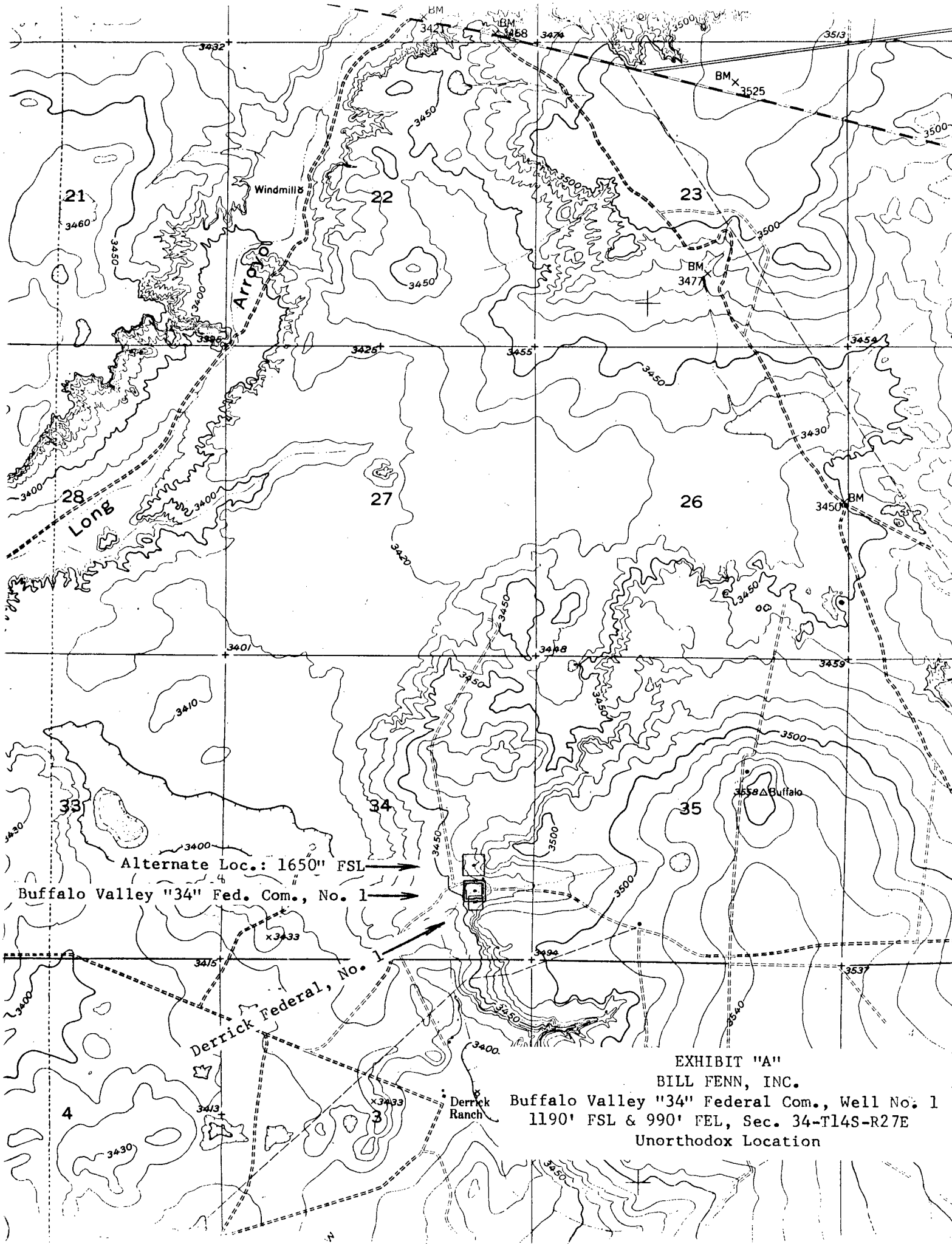
Name and Title



Company Name



Date



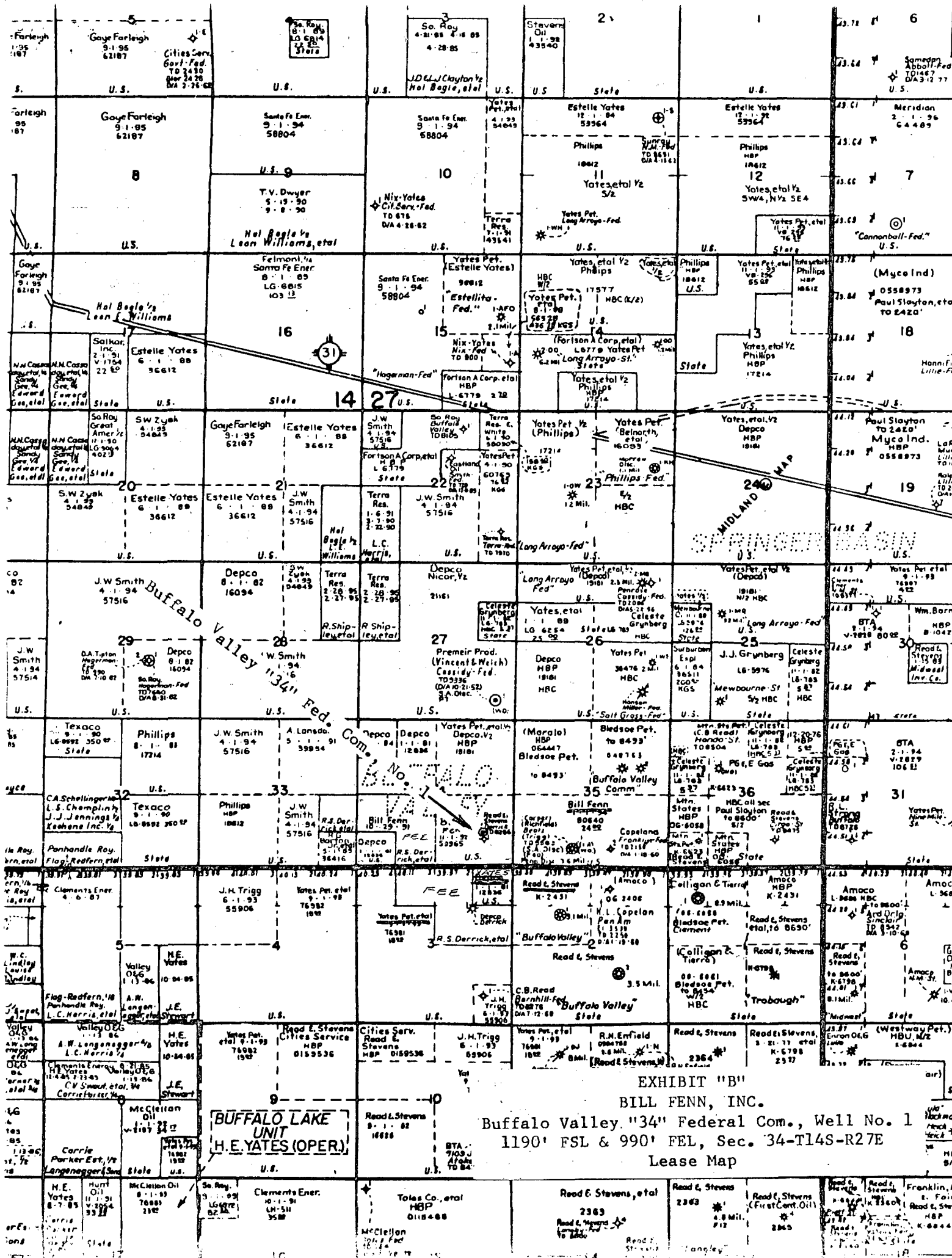
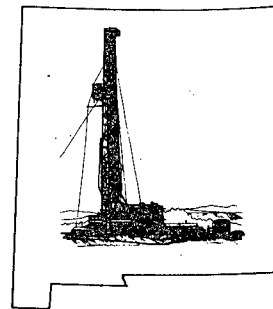


EXHIBIT "B"
BILL FENN, INC.
Buffalo Valley "34" Federal Com., Well No. 1
1190' FSL & 990' FEL, Sec. 34-T14S-R27E
Lease Map

Energy Administrative Services Co.

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TELEPHONE (505) 623-4940

February 5, 1990

Mr. Mike Stogner
New Mexico Energy and Minerals Dept., Oil Conserv. Div.
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox Well Location: 1190' FSL & 990' FEL, Sec. 34-T14S-R27E,
Buffalo Valley "34" Fed. Com., Well No. 1 for Bill Fenn, Inc.

Dear Mr. Stogner:

Bill Fenn, Inc., P.O. Box 569, Giddings, TX 78942 is applying for administrative approval of an unorthodox well location for the above captioned well under the provisions of paragraph F of rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations. Request for this approval was mailed earlier today.

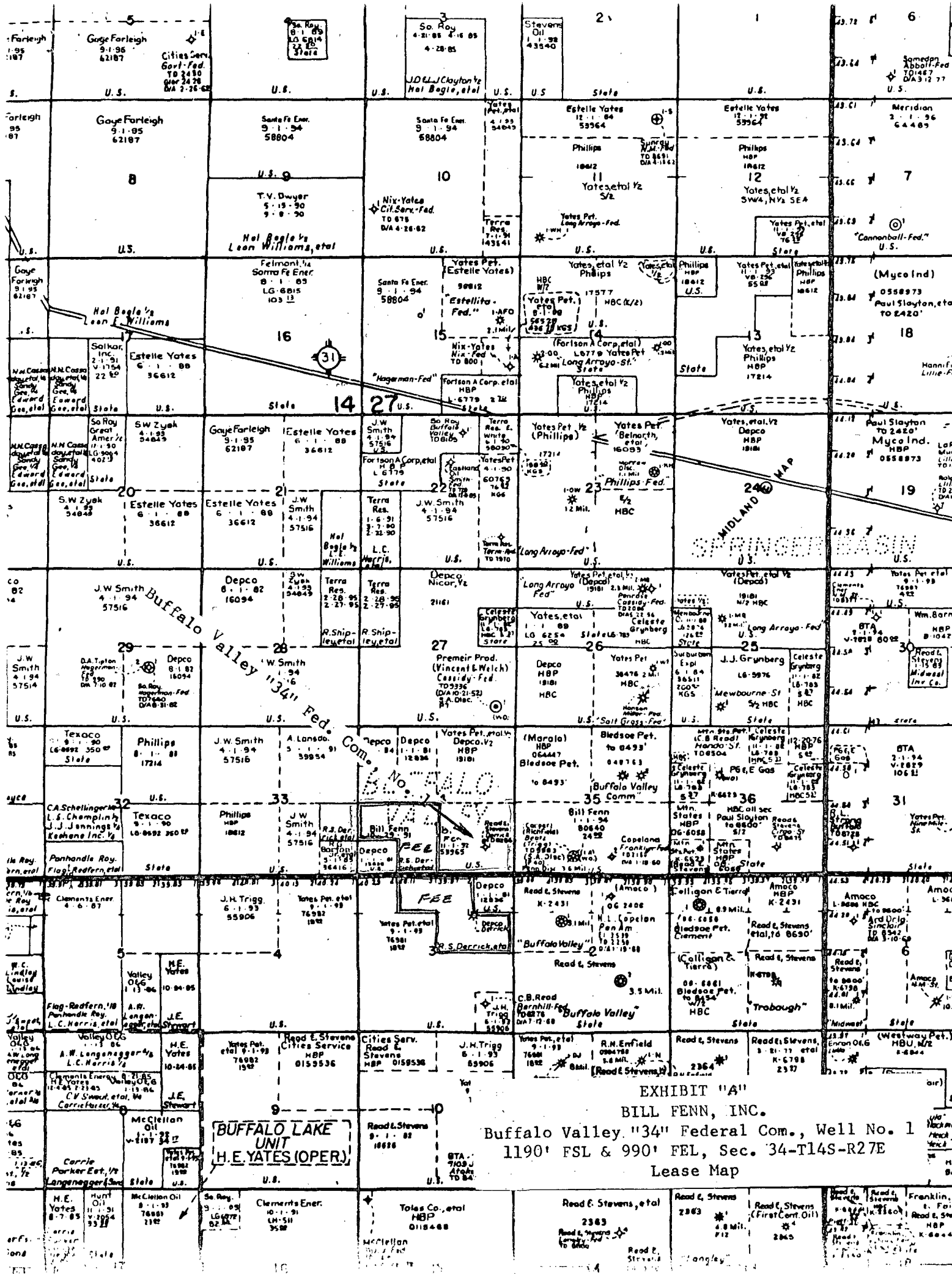
The offsetting lease operators were notified by letter, with one waiver included with the application. A portion of Sec. 3-T15S-R27E, consisting of NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and the S $\frac{1}{2}$ NE $\frac{1}{4}$, is fee minerals owned by the Derrick family and is not leased at this time. The Derrick family leased their private minerals in the south half of Section 34-T14S-R27E to Bill Fenn, which will be communitized with the other leases to form the proration unit for this well, and are aware of the drilling of this well since they will be royalty owners. For this reason, waivers were not obtained from the family for Section 3. The logical operator of the north half of Sec. 3-T15S-R27E at this time would appear to be the Yates Oil Corp., etal, who control 160 acres of Federal leases and a total of 440 acres in the section. Exhibit "A" is a portion of a lease map showing the fee minerals in relation to the leased acreage surrounding it.

This information is provided as a follow up to our conversation today.

Sincerely yours,
ENERGY ADMINISTRATIVE SERVICES CO.

George R. Smith
George R. Smith

encl.



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

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OIL CONSERVATION DIVISION
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February 22, 1990

New Mexico Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Mike Stogner

Re: Unorthodox Well Location
Buffalo Valley "34" Fed. Com. #1
for Bill Fenn, Inc.
1190' FSL & 990' FEL
Sec. 4, T14S-R27E
Chaves County, New Mexico

Gentlemen:

Enclosed is a Waiver of Objection which has been executed on behalf of Yates Petroleum Corporation indicating that they have no objection to the captioned unorthodox well location.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

/msw

Enclosure

Proposed location

Bill Finn, Inc.
 Derrick Field Com. #111
 Ab. 1
 990' x 51' x 2'
 Spud: 5/30/70
 TD - 8282'
 P.O. #14 July 1970

SECTION 34

TOWNSHIP 14 South

RANGE 27 East