

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

OIL CONSERVATION DIVISION
RECEIVED
OCT 26 AM 8 58 '92
R. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
SEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 22, 1992

Mr. William LeMay
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Non-Standard Location
Hickory ALV Fed. #1 (Re-entry)
1650' FNL and 1650 FWL
Section 17-T22S-R24E
Eddy County, New Mexico

Dear Mr. LeMay:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOCD rule 104F.

Our reason for requesting this non-standard location is that it is a re-entry of an abandoned well originally drilled by Pan American Petroleum Corporation in 1965 to a TD of 10295, plugged and abandoned in 1965. Yates wishes to re-enter this well-bore and test the morrow and intermediate formations. It is more economical to re-enter and test this well-bore and it will benefit the surrounding area.

Enclosed please find a copy of the lease map showing the offsetting operator, a topographic map of the area, a survey plat, and copies of the certification slips showing that the offset operators have been notified.

If you have any questions concerning this matter, please call me at (505) 748-1471. Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Ken Beardemphl
Landman

KB:dke

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Santa Fe Energy
500 West Illinois
Midland, Texas 79701

Re: Non-Standard Location
Hickory "ALV" Federal #1 (Re-entry)
1650' FNL and 1650' FWL
Section 17-T22S-R24E
Eddy County, New Mexico

Please sign and return one (1) copy to Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico 88210, to the attention of Ken Beardemphl, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed unorthodox location listed above. A xerox copy of a letter to Mr. William LeMay is attached to inform you of our intentions.

We respectfully ask for your expeditious return of this waiver. Thank you for your consideration.

WAIVER

As an offset operator, Santa Fe Energy, has no objections to the unorthodox location for the well listed above.

By: _____

Title _____

Date _____

P 083 929 691



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Santa Fe Energy	
Street and No.	
500 West Illinois	
P.O., State and ZIP Code	
Midland, TX 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
10-23-92	
Hickory ALU Fed. #1	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 083 929 691

MAIL

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Santa Fe Energy
500 West Illinois
Midland, TX 79701

4a. Article Number
P 083 929 691

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

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

6. Signature (Agent)

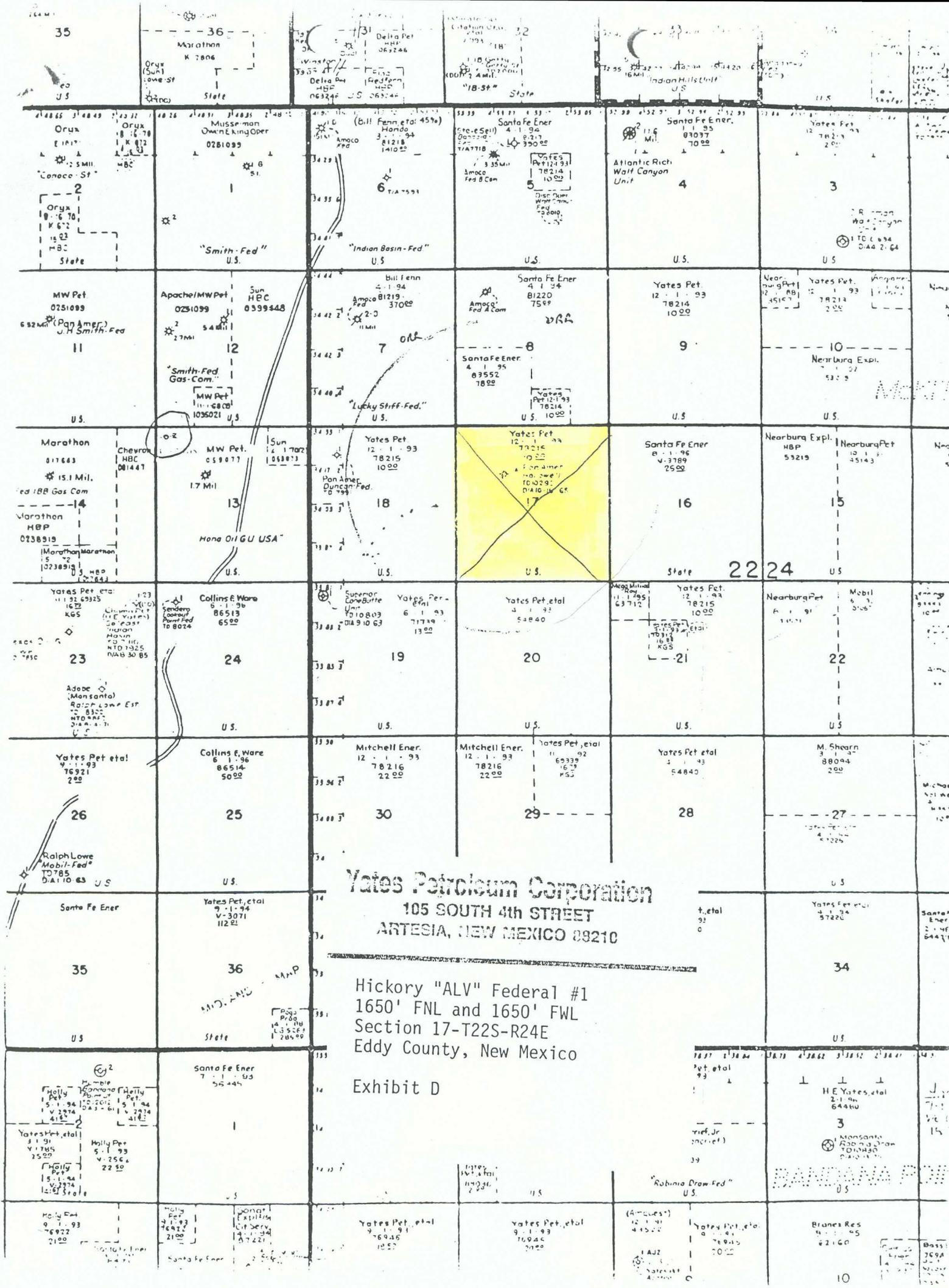
Hickory ALU Fed. #1

PS Form 3811, December 1991

U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



Yates Petroleum Corporation
 105 SOUTH 4th STREET
 ARTESIA, NEW MEXICO 89210

Hickory "ALV" Federal #1
 1650' FNL and 1650' FWL
 Section 17-T22S-R24E
 Eddy County, New Mexico

Exhibit D

BANDANA FLD

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

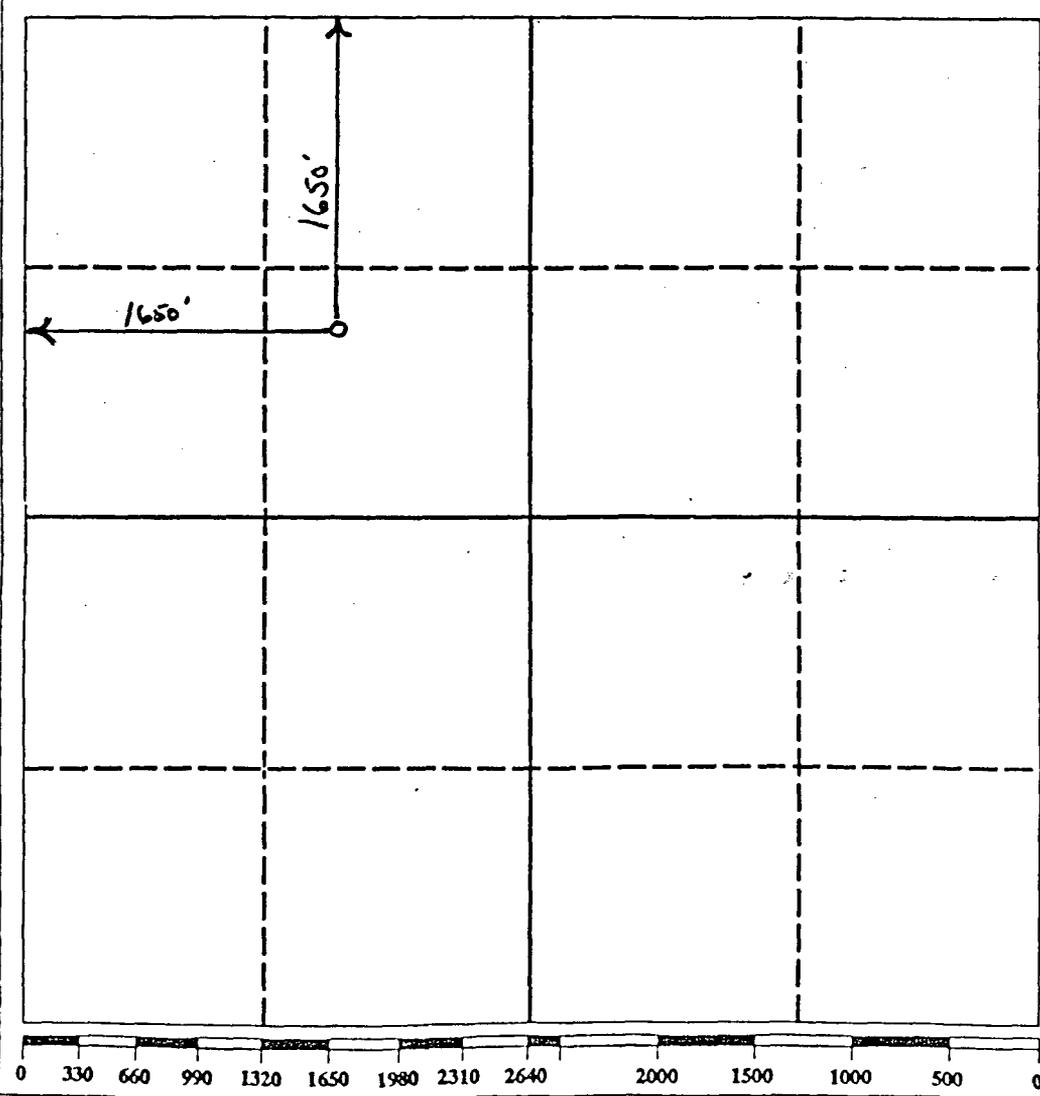
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease HICKORY "ALV" FEDERAL		Well No. 1
Unit Letter F	Section 17	Township 22 SOUTH	Range 24 EAST	County NMPM	EDDY
Actual Footage Location of Well:					
1650 feet from the NORTH line and		1650 feet from the WEST line			
Ground level Elev. 4201'	Producing Formation MORROW		Pool WILDCAT MORROW	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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. (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 interest, has been approved by the Division.



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

Signature: *Ken Beardemphf*
 Printed Name: Ken Beardemphf
 Position: Landman
 Company: YATES PETROLEUM CORPORATION
 Date: September 8, 1992

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes on 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 Surveyed: Refer to original plat
 Signature & Seal of Professional Surveyor: _____

Certificate No. _____

