

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



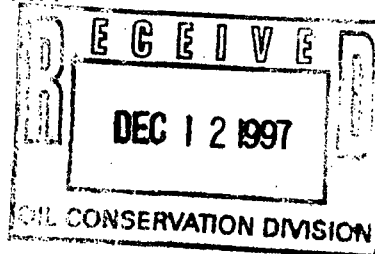
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

NSL 1/2/98

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

December 10, 1997



New Mexico Energy, Minerals and
Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay

Re: Unorthodox Well Location
Preston Federal 35N Com. #23

Dear Mr. Le May:

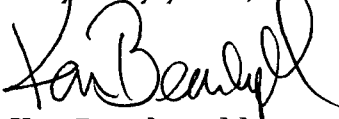
Yates Petroleum Corporation hereby requests approval for an unorthodox well location in Eddy County, New Mexico for the captioned well, being 2230' FNL and 1980' FWL of Section 35, T20S-R24E. This well pad was originally staked at 1980' FNL and 1980' FWL and was at the bottom of Box Canyon. Mr. Barry Hunt with the Bureau of Land Management in Carlsbad, moved the well up top out of the draw to the 2230' FNL and 1980' FWL. Due to the topography of the area and the draw itself, there are not any orthodox locations available.

Therefore, we are asking for this unorthodox location as this is the only place suitable for a well location. We are not planning to put a tank battery at the location, but only the well head and a flowline to our proposed tank battery located to the southwest.

I have enclosed to copies of the topographical map and a C-102 however, if you should have any questions please call me at (505) 748-1471 or Mr. Barry Hunt at the BLM in Carlsbad, New Mexico at (505) 887-6544

Thank your for your concern in this matter.

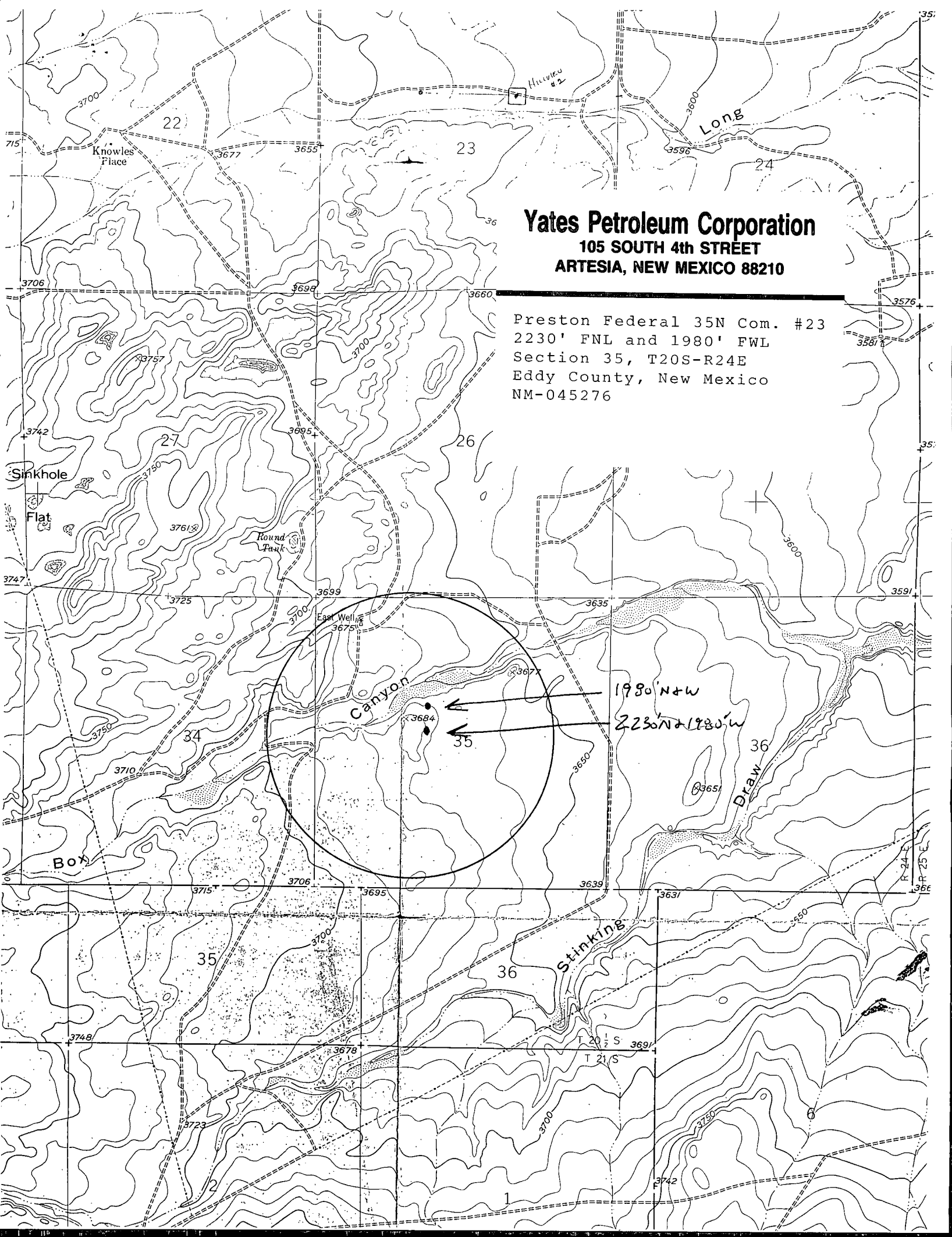
Very truly yours,


Ken Beardemphl
Landman

/cyc
Enclosures

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Preston Federal 35N Com. #23
2230' FNL and 1980' FWL
Section 35, T20S-R24E
Eddy County, New Mexico
NM-045276



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Dagger Draw Upper Penn, South
Property Code 025575	Property Name PRESTON FEDERAL 35N COM	Well Number 23
OGRIE No.	Operator Name YATES PETROLEUM CORPORATION	Elevation 3680.

10 Surface Location

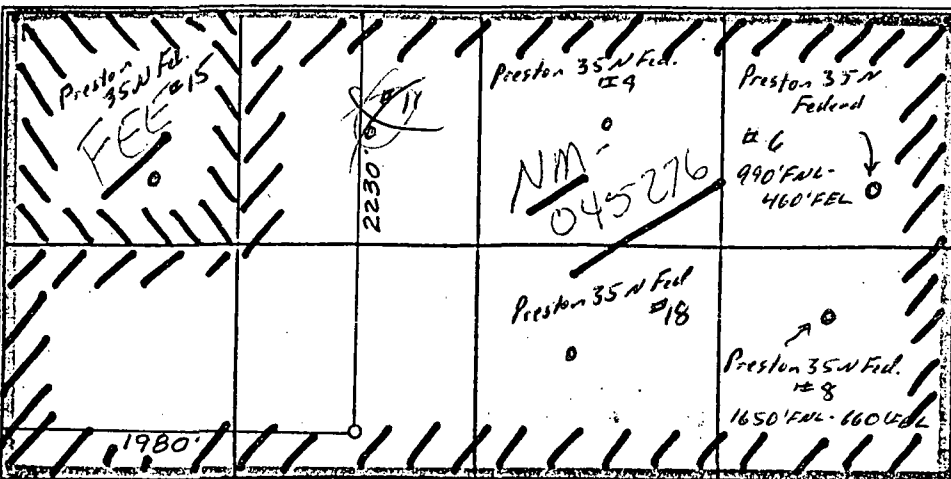
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F	35	20-S	24-E		2230	NORTH	1980	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

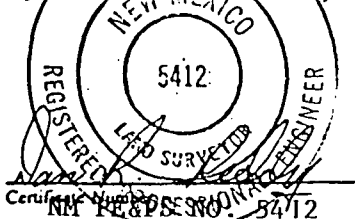
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Ken Beardemphl*
Printed Name: Ken Beardemphl
Title: Landman
Date: August 5, 1997

18 SURVEYOR CERTIFICATION

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 belief.

August 4, 1997
Date of Survey: *DN R. REDDY*
Signature and Seal of Professional Surveyor:





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 22, 1997

Morexco, Inc.
P. O. Box 481
Artesia, New Mexico 88211-0481
Attention: Donald G. Becker, Jr.

Administrative Order NSL-2924-A(SD)

Dear Mr. Becker:

Reference is made to your complete application that was received by the New Mexico Oil Conservation Division ("Division") on December 1, 1997 for an unorthodox Eumont gas well location within an existing non-standard 160-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SE/4 of Section 5, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-397-A(L), dated August 15, 1995.

Eumont gas production from said GPU is currently dedicated to the J. R. Holt "B" Well No. 2 (API No. 30-025-31003), located at a previously approved unorthodox gas well location 1190 feet from the South line and 1195 feet from the East line (Unit P) of said Section 5 [see Division Administrative Order NSL-2924(SD) and NSP-397-A(L)].

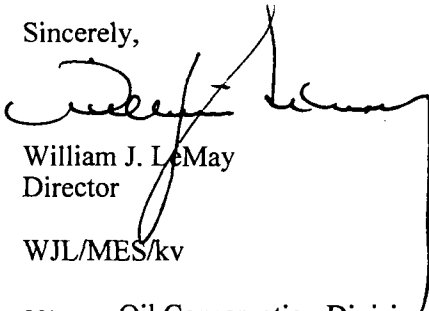
By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox Eumont gas well location is hereby approved:

*J. R. Holt "B" Well No. 3
330' FSL - 2310' FEL (Unit O) of said Section 5.*

Also, Morexco, Inc. is hereby authorized to simultaneously dedicate Eumont Gas production from the J. R. Holt "B" Well No. 2 with the J. R. Holt "B" Well No. 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Further, all applicable provisions of said Division Administrative Orders NSL-2924(SD) and NSP-397-A(L) shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2924(SD)
NSP-397-A(L)
NSP-397