



3-30-11

SUSPENSE

ENGINEER

DB

LOGGED IN

TYPE

NSL

APP NO.

PTG-W  
1109428608

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

Yates 35575

Herradura U#1  
30-015-37932

ABOVE THIS LINE FOR DIVISION USE ONLY

## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

## Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

## [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
NSL NSP SDYates Petroleum Corporation  
Herradura Unit #1  
30-015-37932

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
DHC CTB PLC PC OLS OLM[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
WFX PMX SWD IPI EOR PPR

[D] Other: Specify \_\_\_\_\_

## [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or \_ Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

## [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

BRIAN WOOD  
(505) 466-8120  
FAX 466-9682

Signature

B. Wood

Title

CONSULTANT

Date

3-29-11

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
YATES PETROLEUM CORPORATION'S  
HERRADURA UNIT #1\*  
30-015-37932  
330' FNL & 760' FEL  
SECTION 16, T. 24 S., R. 25 E., EDDY COUNTY, NM**

\* originally #1H

I. The well is on New Mexico State Land Office (NMSLO) oil and gas lease VB-0713-0000 and NMSLO surface. The well is 330' from the closest lease line and 3,515' from the closest unit boundary. The Herradura Unit number is 300351. The 7,681.37 acre unit was created in 2010 via Case 14473 and Rule R-13270. The unit was subsequently expanded vertically (to the Precambrian) via Rule R-13270-A.

The well was initially planned as a horizontal 10,405' deep Bone Spring oil well (see attached APD, Exhibit A). It was drilled as 11,977' deep vertical oil well. Total depth was reached on January 15, 2011. After disappointing oil results from the Bone Spring, it is now planned as a gas well.

As a gas well, the well is nonstandard for the Avalon (possible Wildcat or San Lorenzo; Bone Spring (Gas)), Wolfcamp (possible Crooked Creek; Wolfcamp (Gas) #75460), Strawn (Mosley Canyon; Strawn (Gas) #81470), and Morrow (possible Baldrige Canyon; Morrow (Gas) #71420 or Horseshoe Bend; Morrow (Gas) #78680).

Acreage dedication will be a 160 acre northeast quarter for the Avalon gas and 320 acre north half lay down for the other three gas zones.

The well bore was standard for oil, but is nonstandard for gas. Yates requests a nonstandard location due to topography. Yates wishes to be a good neighbor. Using the existing well avoids new surface disturbance.

The 320 acre state lease comprises the north half of Section 16. The well bore could be drilled at 660 FNL & 760 FEL. However, that would use more grazing land and move it towards the park (EXHIBIT B).

A standard Avalon gas location must be at least 660' from the quarter sections lines according to Rule 19.15.15.10 C. A standard Wolfcamp, Strawn, or Morrow gas location must be at least 660' from the half section lines according to Rule 19.15.15.10 B. The well is 330' from the closest relevant section lines (see two C-102 as EXHIBIT C).

II. C-102 forms showing the well and 160 acre Avalon pro ration unit (NE4 Section 16) and 320 acre Wolfcamp, Strawn, or Morrow pro ration units (N2 Section 16) are attached as EXHIBIT C.

The oil and gas lease boundary and unit boundary are shown on the attached EXHIBIT D. The well bore is 330' too far north. The encroachment is toward the interior of the same unit. There are no wells of any type in the adjacent quarter sections or half sections. One hundred per cent of the working interest is committed to the unit. One hundred per cent of the royalty interest is committed to the unit.

There are no other pro ration units or dedications touching or bordering the proposed pro ration units (see EXHIBIT E). Closest (3,515' northwest) existing or proposed pro ration unit (Strawn) is Nadel and Gussman's Jurnigan State Com 1 @ 660 FNL & 1980 FWL 8-24s-25e; API 30-015-23622.

III. Closest (9,255' northwest) existing or proposed well is Nadel and Gussman's Jurnigan State Com 1 @ 660 FNL & 1980 FWL 8-24s-25e; API 30-015-23622. EXHIBIT B shows the proposed NSL well and all other existing (2 P & A wells) or approved (none) wells within 5,280' of Yates' well.

All eight quarter sections which border or touch the proposed Avalon quarter-section pro ration unit are part of the Herradura Unit.

The only non-unit land which borders or touches the proposed Wolfcamp, Strawn, or Morrow half section pro ration unit is the southeast quarter of Section 8. The New Mexico State Land Office is the lessor and Nadel and Gussman Permian LLC is the lessee in the southeast quarter of Section 8. The southeast quarter of Section 8 is not currently part of any pro ration unit.

IV. The well site is marked on EXHIBIT E. Pro ration unit (dashed line) for the Avalon is the 160 acres comprising the NE4 Section 16, Township 24 South, Range 25 East, Eddy County, NM. Pro ration unit (solid line) for the Wolfcamp, Strawn, and Morrow is the 320 acres comprising the N2 Section 16, Township 24 South, Range 25 East, Eddy County, NM.

V. The nonstandard location is due to using an existing well bore to minimize surface disturbance.

VI. Archaeology is not an issue.

VII. Surface conditions are an issue. Yates wants to be a good neighbor and minimize surface disturbance.

VIII. Yates does not believe directional drilling to a standard location is cost effective.

IX. I hereby certify that Yates Petroleum Corporation and its unit interests have 100% of the Avalon working interest in the unit which comprises the proposed 160 acre spacing unit and the adjacent quarter sections on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby certify that Yates Petroleum Corporation and its unit interests have 100% of the Wolfcamp, Strawn, and Morrow working interest in the unit which comprises the proposed 320 acre spacing unit and the adjacent half sections on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT F) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter sections which border the 160 acre spacing unit. These affected persons have working or royalty interests in half sections which border the 320 acre spacing unit. None of the affected persons have working interests within 4,532' of the well. Said notice was sent to:

NM State Land Office  
Nadel and Gussman Permian, LLC

*B Wood*

Brian Wood, Consultant

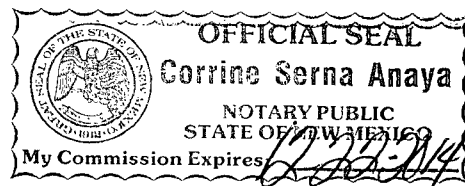
*3-29-11*

Date

STATE OF NEW MEXICO )  
 ) SS:  
COUNTY OF SANTA FE )

The foregoing instrument was acknowledged before me this 29th day of March, 2011 by Brian Wood. Witness my hand and official seal.

*Corrine Serna Anaya*  
Notary Public



My Commission Expires: *12-22-2014*

Business Address: *13 Avenida Vista Verde*  
*Santa Fe, New Mexico 87508*

cc: May, OCD (Artesia & Santa Fe)

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address <b>YATES PETROLEUM CORPORATION</b> <b>105 S 4TH ST</b> <b>ARTESIA, NM 88210</b>		2. OGRID Number <b>25575</b>
4. Property Code <b>36203</b>		3. API Number <b>30-015-37932</b>
5. Property Name <b>HERRADURA UNIT</b>		6. Well No. <b>001H</b>

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	16	24S	25E	A	550'	N	760'	E	EDDY

**8. Pool Information**

<b>SAN LORENZO; BONE SPRING</b>	<b>53600</b>
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**Additional Well Information**

9. Well Type <b>New Well</b>	10. Well Type <b>OIL</b>	11. Cable/Rotary	12. Lease Type <b>State</b>	13. Ground Level Elevation <b>4130</b>
14. Multiple <b>N</b>	15. Proposed Depth <b>10405</b>	16. Formation <b>1st Bone Spring Sand</b>	17. Contractor	18. Spud Date <b>6/15/2010</b>
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pm Lining Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	43	550	575	0
Int1	12.25	9.625	36	2800	975	0
Prod	7.875	5.5	17	10405	2150	2500

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	300	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Monti Sanders	Approved By: Randy Dade
Title:	Title: District Supervisor
Email Address: montis@yatespetroleum.com	Approved Date: 6/18/2010   Expiration Date: 6/18/2012
Date: 6/8/2010	Phone: 575-748-4244



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-6720

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1253 Fax:(505) 746-9720

District III  
1000 Rio Bravo Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources

Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Permit 115118

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37932	2. Pool Code 55600	3. Pool Name SAN LORENZO;BONE SPRING
4. Property Code 38203	5. Property Name HERRADURA UNIT	6. Well No. 001H
7. GORID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4130

10. Surface Location

UL - Lot A	Section 16	Township 24S	Range 25E	Lot 10n	Feet From 330	N/S Line N	Feet From 760	E/W Line E	County EDDY
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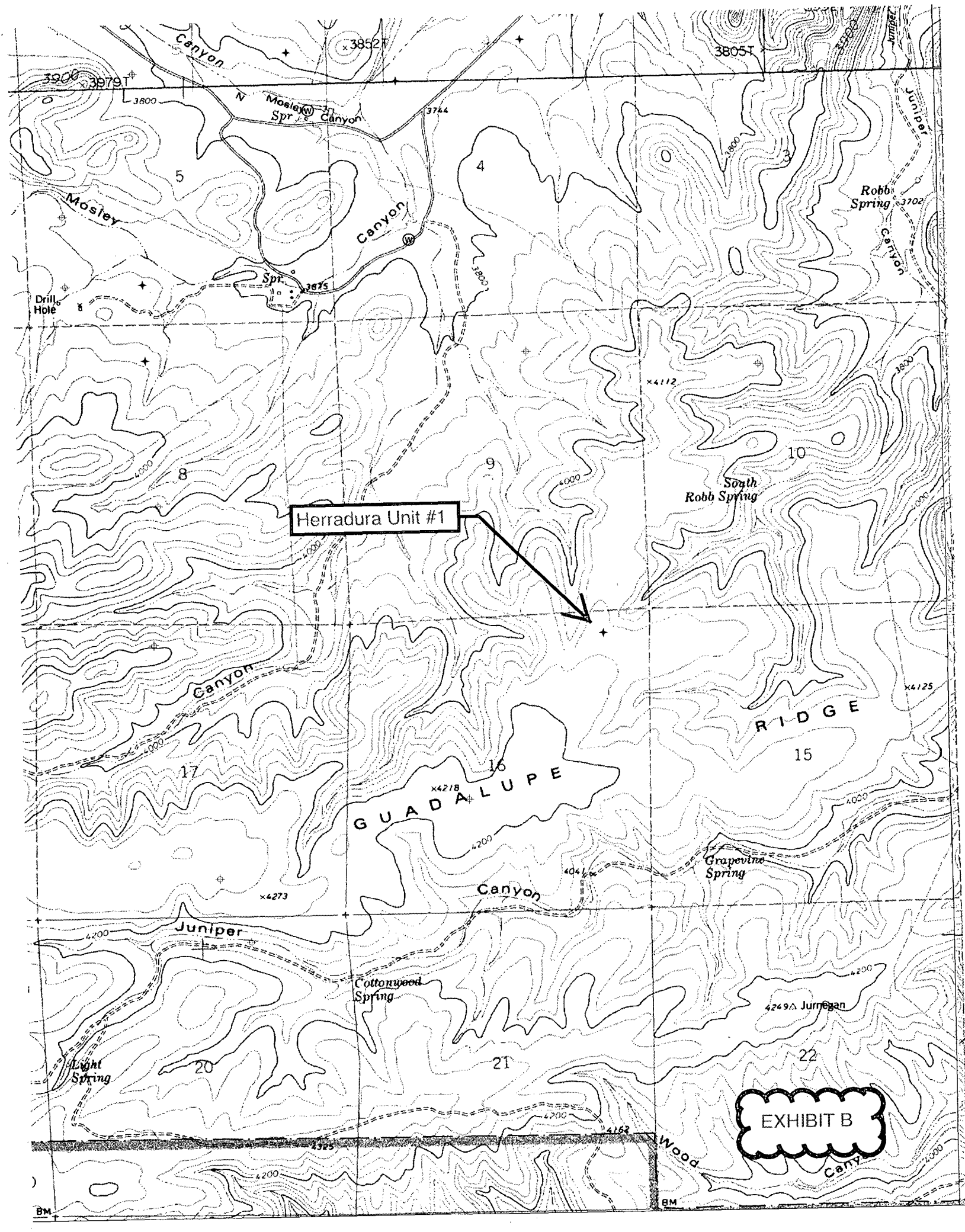
11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 9	Township 24S	Range 25E	Lot 10n A	Feet From 660	N/S Line N	Feet From 660	E/W Line E	County EDDY
12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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

<table><tr><td></td><td></td><td></td><td><input checked="" type="checkbox"/></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table>				<input checked="" type="checkbox"/>													<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Monti Sanders Title: Date: 6/8/2010</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Gary Jones Date of Survey: 5/28/2010 Certificate Number: 7977</p>
			<input checked="" type="checkbox"/>														

EXHIBIT A



Herradura Unit #1

EXHIBIT B



**District I**  
 1425 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6151 Fax:(505) 393-6120

**District II**  
 1304 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Bravo Rd., Artesia, NM 87410  
 Phone:(505) 334-6175 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-162  
 Permit 115115

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 50-015-37932	2. Pool Code	3. Pool Name
4. Property Code 38205	5. Property Name HERRADURA UNIT	6. Well No. 001
7. OGFID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4150

**10. Surface Location**

UL - Lot A	Section 16	Township 24S	Range 25E	Lot 10n	Feet From 330	N/S Line N	Feet From 760	E/W Line E	County EDDY
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12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
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**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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Gary Jones          Date of Survey: 5/28/2010          Certificate Number: 7977</p>

**EXHIBIT C**

District I  
1425 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-6720

District II  
1501 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1253 Fax:(505) 748-9720

District III  
1000 Rio Brazos Rd., Artesia, NM 87410  
Phone:(505) 394-6178 Fax:(505) 394-6170

District IV  
1226 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**

Form O-102  
Permit 115116

**Oil Conservation Division**  
**1226 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

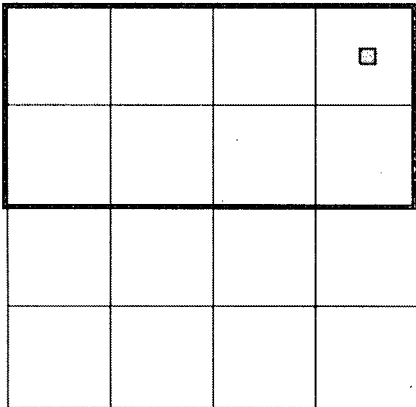
1. API Number 30-015-37932	2. Pool Code	3. Pool Name
4. Property Code 38203	5. Property Name HERRADURA UNIT	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4130

**10. Surface Location**

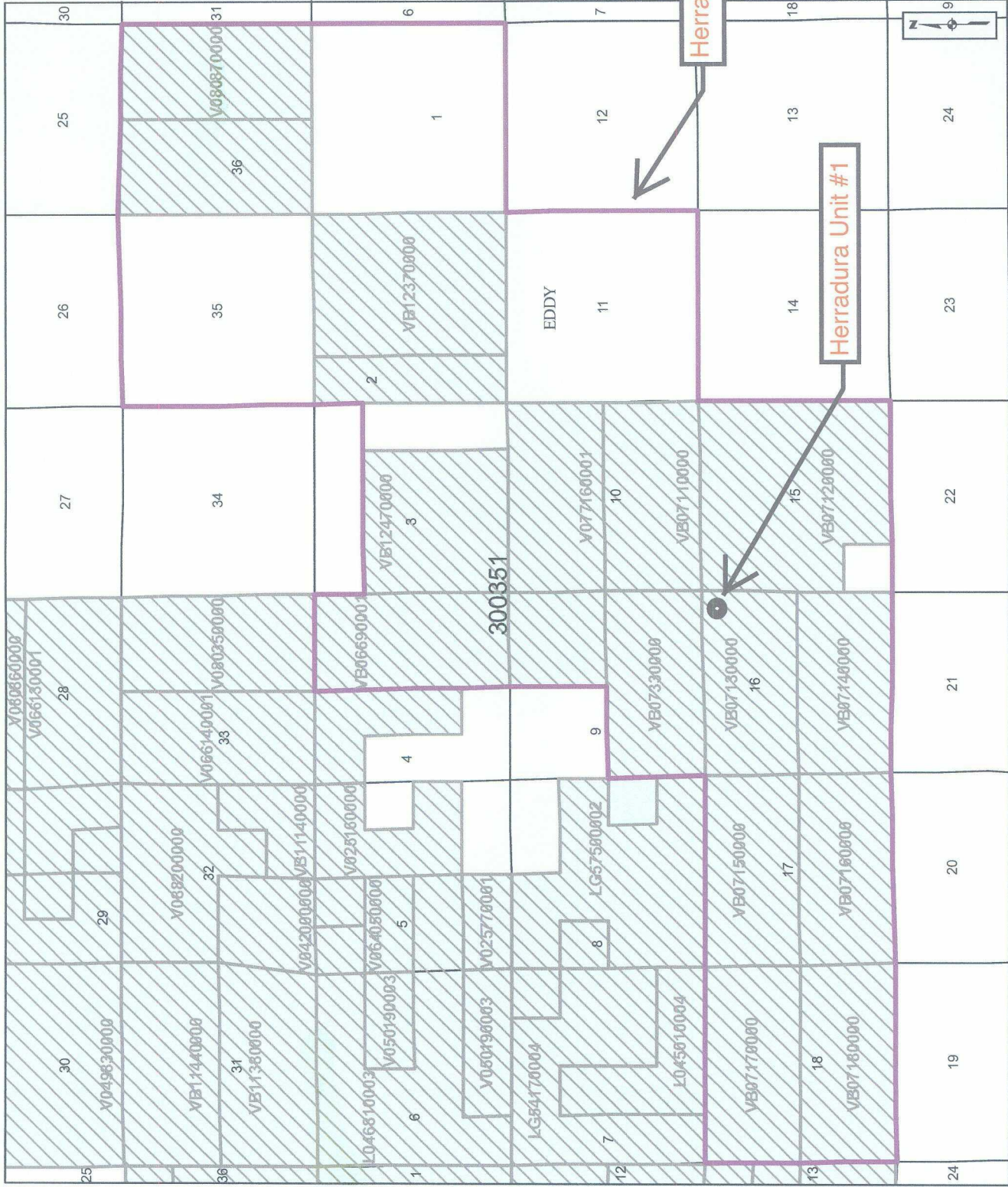
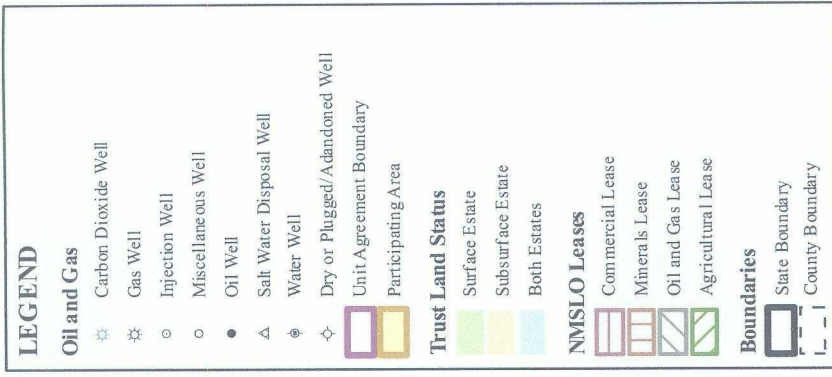
UL - Lot A	Section 16	Township 24S	Range 25E	Lot Loc	Feet From 330	N/S Line N	Feet From 760	E/W Line E	County EDDY
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12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
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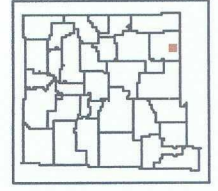
**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><b>320 acre dedication for Wolfcamp, Strawn, &amp; Morrow</b></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Gary Jones Date of Survey: 5/28/2010 Certificate Number: 7977</p>

**EXHIBIT C**



**EXHIBIT D**



The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

**New Mexico State Land Office**  
Participating Areas in Units

0 0.1 0.2 0.4 0.6 0.8 Miles

Universal Transverse Mercator Projection, Zone 13  
1983 North American Datum

Land Office Geographic Information Center  
logic@sls.state.nm.us

Created On: 3/29/2011 8:54:08 AM

www.nmstatelands.org

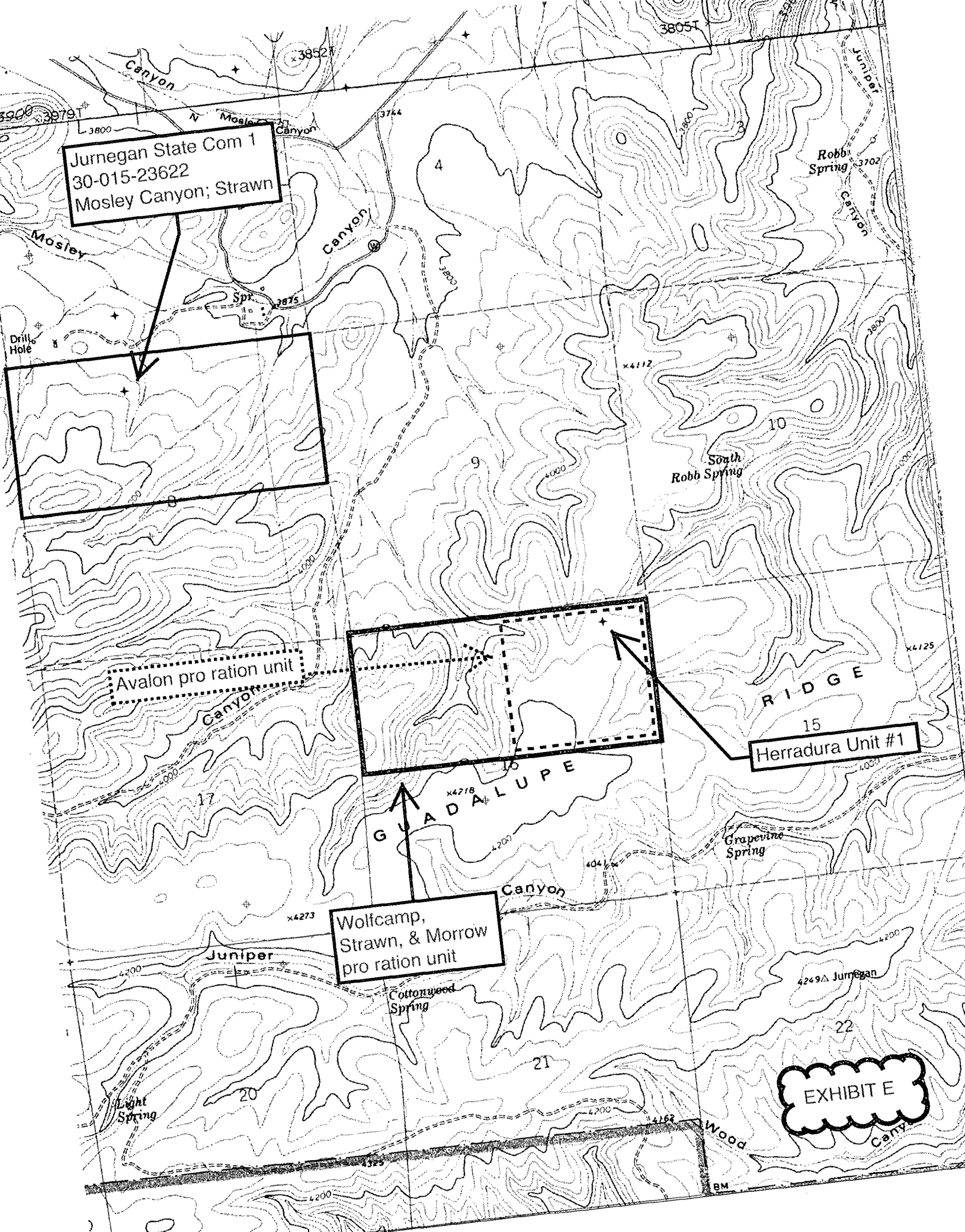
Jurnegan State Com 1  
30-015-23622  
Mosley Canyon; Strawn

Avalon pro ration unit

Wolfcamp,  
Strawn, & Morrow  
pro ration unit

Herradura Unit #1

EXHIBIT E





**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 29, 2011

Nadel and Gussman Permian, LLC  
601 N. Marienfeld, Suite 508  
Midland, TX 79701

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

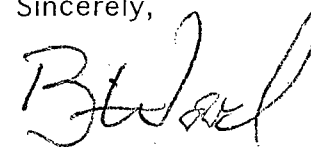
Yates Petroleum Corporation is applying to produce its Herradura Unit #1 well as a gas well. The minimum state distance for such a gas well is 660' from a quarter section line or half section line. The well is 330' further north than is standard (see two attached C-102 forms). Thus, it is a nonstandard location. The NSL is due to land use.

Well Name: Herradura Unit #1 TD: 11,977'  
Proposed NSL Zones: Avalon, Wolfcamp, Strawn, & Morrow  
NSL Acreage Dedication: 160 acres (NE4 Section 16) & 320 acres (N2 Section 16)  
Location: 330' FNL & 760' FEL Sec. 16, T. 24 S., R.25 E., Eddy County, NM  
on State lease VB-0713-0000 (well is  $\geq 3,515'$  from unit boundary)  
Approximate Location:  $\approx 3\frac{1}{2}$  air miles northwest of Whites City, NM  
Applicant Name: Yates Petroleum Corporation (575) 748-1471  
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

7007 2560 0003 3105 9428

U.S. Postal Service <sup>TM</sup>	
CERTIFIED MAIL <sup>TM</sup> RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage	\$ 44
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54
Sent To: Nadel & G	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

PS Form 3800, August 2006 See Reverse for Instructions

MAR 29 2011  
POSTMARK  
SANTA FE, NM  
87505

EXHIBIT F

**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 29, 2011

NM State Land Office  
P. O. Box 1148  
Santa Fe, NM 87504

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Yates Petroleum Corporation is applying to produce its Herradura Unit #1 well as a gas well. The minimum state distance for such a gas well is 660' from a quarter section line or half section line. The well is 330' further north than is standard (see two attached C-102 forms). Thus, it is a nonstandard location. The NSL is due to land use.

Well Name: Herradura Unit #1 TD: 11,977'

Proposed NSL Zones: Avalon, Wolfcamp, Strawn, & Morrow

NSL Acreage Dedication: 160 acres (NE4 Section 16) & 320 acres (N2 Section 16)

Location: 330' FNL & 760' FEL Sec. 16, T. 24 S., R.25 E., Eddy County, NM  
on State lease VB-0713-0000 (well is  $\geq 3,515'$  from unit boundary)

Approximate Location:  $\approx 3\frac{1}{2}$  air miles northwest of Whites City, NM

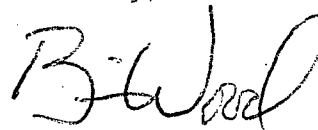
Applicant Name: Yates Petroleum Corporation (575) 748-1471

Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

7007 2560 0003 3105 9411

U.S. Postal Service	
CERTIFIED MAIL <sup>®</sup> RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
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