

U.S. Jess Fed. 14396 Grynberg & Assoc. (J.J.-CC Ltd.) 11795 4 1.9Mil. 12 2.4Mil.	Mesa Pet. 14396 West'n Reserves 12489 2 2.0Mil. 7 1.2Mil.	U.S. Jess Fed. 14396 Mesa Pet. 36410 2 2.1Mil. 8 1.5Mil.	U.S. Jess Fed. 15862 Yates Pet. 19416 1 1Mil. 9 4.0RJ	U.S. Quail Fed. 15862 Yates Pet. 10263 4 1.2Mil. 10 1.8Mil.					
U.S. Jess Fed. 14396 Fred Pool to 4000 (J.J.-CC Ltd D/R) 11795 13 1.2Mil.	Mesa Pet. 20337 Fred Pool (Plains Radio, etal) 17 1.5Mil.	U.S. Jess Fed. 14396 Mesa Pet. 14754 2 1.5Mil. 17 1.5Mil.	U.S. Jess Fed. 15862 Yates Pet. 16-4333 2 2.8Mil. 16 6.00	U.S. Quail Fed. 15862 Yates Pet. 11593 4 1.7Mil. 15 6.00					
U.S. Jess Fed. 14396 Fred Pool to 4000 (J.J.-CC Ltd D/R) 11795 13 1.2Mil.	Mesa Pet. 20337 Fred Pool (Plains Radio, etal) 17 1.5Mil.	U.S. Jess Fed. 14396 Mesa Pet. 14754 2 1.5Mil. 17 1.5Mil.	U.S. Jess Fed. 15862 Yates Pet. 16-4333 2 2.8Mil. 16 6.00	U.S. Quail Fed. 15862 Yates Pet. 11593 4 1.7Mil. 15 6.00					
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Red Rock "NB" Federal #2  
330" FNL and 1980" FWL of  
Section 28-T6S-R25E  
Chaves County, New Mexico

YATES PETROLEUM CORPORATION  
Case No. 9725  
11/01/89 Examiner Hearing  
Exhibit No. 1

E.B. Davis, et  
Mesa  
2  
3.6Mil. J.P.W.  
C.A.A.  
Yates  
HBP  
28162

YATES PETROLEUM CORPORATION  
RED ROCK "NB" FED. #2

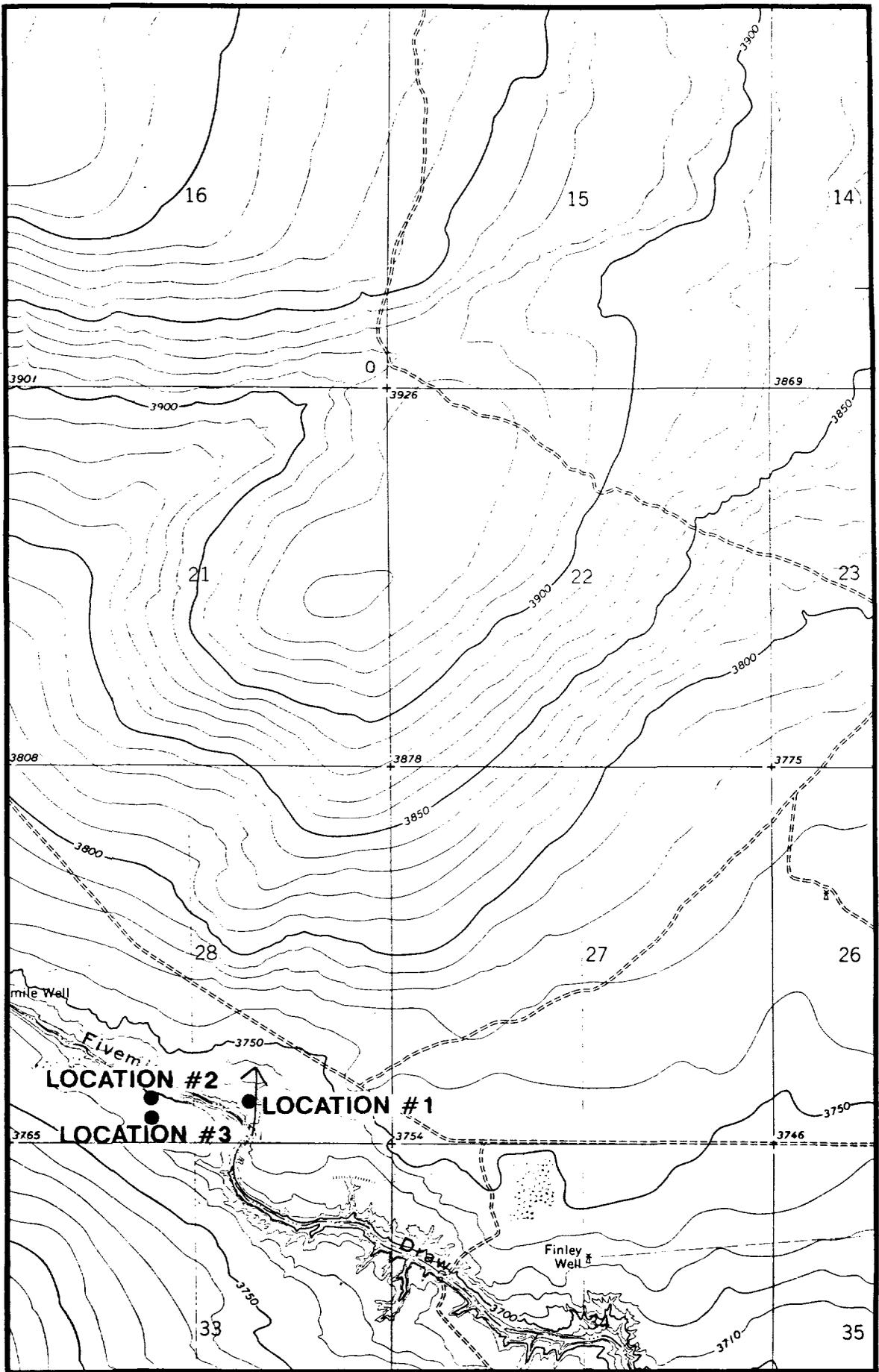
- 7-11-89 A notice of staking was filed with the BLM for the preferred location of 660'FSL & 1980'FEL to start the 30 day clock.
- 7-12-89 General Surveying, Inc. of Lovington surveyed the location and staked it. Ed Blevins called concerned about the bad drainage.
- 7-14-89 Clifton May of Yates Petroleum went to the location. Did not think BLM would approve location. Suggested a new location be chosen. Leslie came up with a choice 660'FSL & 1980'FWL.
- 7-17-89 Clifton May met surveyor and could not stake the location of 660's & 1980'W due to falling on the edge of Five Mile Draw. Was able to stake a good location at 330'FSL & 1980'FWL. This is a non-standard location, but due to Topographic reasons, it was chosen.
- 7-18-89 The request for administrative approval was sent to NMOCD. Also, the letter to the off-set operator, Mesa, was sent. Mesa's consent was received 7-31-89.
- 7-19-89 The APD was taken to the BLM, Roswell Resource Area. An appointment to meet for onsite was made for 7-20-89.
- 7-20-89 Clifton May, Yates and Richard Hill, BLM met for an onsite of this location. Mr. Hill could see no problem if we constructed a berm 2' tall along the North Edge of pad in case of a spill.
- 7-24-89 The agency for Conservation Archaeology, ENMU, Portales conducted a cultural resource survey. They found a large site, ENM 20357, on the NE corner of the 400' x 400' surveyed area. This report was received on 8-3-89 by Yates. Also on 7-24-89, Yates received a letter from NMOCD denying our NSL at 330'S & 1980'W for topographical reason. If we want this location, a hearing would be necessary.
- 10-24-89 Clifton May, Yates met with Richard Hill, BLM to check out the possibility of using the original location of 660'FSL & 1980'FEL. Mr. Hill, after looking the area over, prefers the present location of 330's & 1980' W. He feels that the drainage problem is too great to control and protect the well site. Berms and erosion control activities would cause major problems. The proposed location catches drainage from 3 sides. Mr. Hill stated that the location would eventually fall away. There is a major wash within 150' of the proposed center hole about 20' deep. Yates is to show BLM how we can miss the arc site and protect the draw from spillage and they have no problem with the location of 300'S & 1980'W.

10-25-89 A new well site layout was mailed to BLM, Roswell Resource Area, with an explanation of our proposal. They are in the process of approval of the APD.

Clifton R. May  
10-27-89

**R-25-E**

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6  
S**



555

556

● INTERIOR—GEOLOGICAL SURVEY, WASHINGTON, D. C.—1971  
557000m E.

104° 2

**YATES PETROLEUM**

**LOCATION MAP**

**UNORTHODOX LOCATION  
RED ROCK "NB" FED. NO.2  
CHAVES COUNTY, N. M.**

**ROAD CLASSIFICATION**

Light-duty ..... Unimproved dirt - - - - -

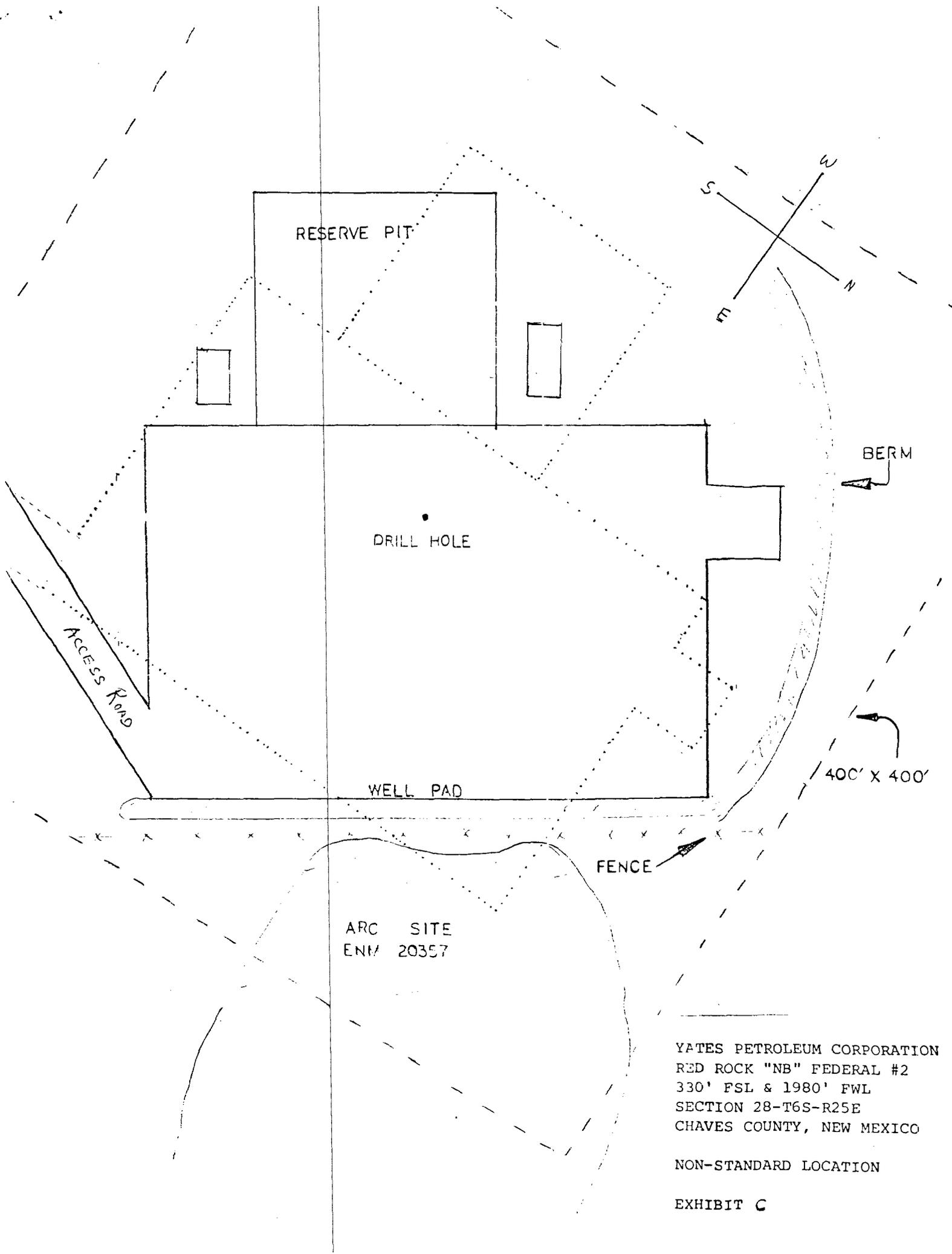
**SHANNON DRAW, N. MEX.  
N3345—W10422.5/7.5**

1967

AMS 5151 IV SW—SERIES V881

Yates Petroleum Corporation  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28-T6S-R25E

Yates proposes to rotate well pad putting the pits to the SW instead of to the West. By rotating the well pad approximately 30 degrees, we will miss the arc site by approximately 25 feet. Yates proposes to have a contract archaeologist to monitor the well pad construction starting with marking the route for a 3-strand barbed wire fence running from the 400 X 400 boundary. An earthen berm along the NE edge of the pad continuing around the NW side past the stinger. This berm will protect the Five Mile Draw, as well as the arc site, from a potential spill. The road will follow the original route until inside the 400 X 400. It will then swing to the East corner of the well pad.



RESERVE PIT

DRILL HOLE

ACCESS ROAD

WELL PAD

BERM

400' X 400'

FENCE

ARC SITE  
ENM 20357

YATES PETROLEUM CORPORATION  
RED ROCK "NB" FEDERAL #2  
330' FSL & 1980' FWL  
SECTION 28-T6S-R25E  
CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT C

Cultural Resources Report  
for  
Yates Petroleum Corporation

**Red Rock NB Federal No. 2 and Access Road**

F90-105

by  
Robert Jones

Agency for Conservation Archaeology  
Eastern New Mexico University

Principal Investigator  
Dr. John L. Montgomery

August 1, 1989

MANAGEMENT SUMMARY

On July 24, 1989, the Agency for Conservation Archaeology conducted a cultural resources survey for Yates Petroleum Corporation on land administered by the Bureau of Land Management. The area was surveyed for a proposed well pad and access road, and encompasses a total of 8.9 acres. The proposed project area is located in Section 28, T06S, R25E, NMPM, Chaves County, New Mexico. Three isolated manifestations of prehistoric cultural activity and one prehistoric cultural resource site, ENM 20357, were recorded during this survey. The three isolates are not considered to possess the requisite integrity, significance, or data recovery potential necessary for inclusion in the National Register of Historic Places (NRHP). The cultural resource site may be potentially eligible for inclusion in the NRHP. The site can be avoided if the well pad is moved a minimum of 250 ft (76 m) south and 250 ft (76 m) west. Due to the probability of buried artifacts in the immediate area, a professional archaeologist should be present to monitor construction of the well pad. Clearance is recommended for the proposed well pad and access road, provided these recommendations are followed.

### Introduction

A cultural resources survey was completed recently by the Agency for Conservation Archaeology (ACA) at Eastern New Mexico University (ENMU) for Yates Petroleum Corporation on land administered by the Bureau of Land Management in Chaves County, New Mexico. The reconnoitered area will be disturbed by the construction of a well pad and access road. The project was administered by Mr. Clifton May for Yates Petroleum Corporation and Dr. John L. Montgomery, Director of ACA. This report was prepared by the Portales office of ACA.

The fieldwork was conducted on July 24, 1989, by Robert Jones and Scott Kather. Good field and weather conditions prevailed throughout the course of this reconnaissance. The survey was done between 9:00 am and 11:30 am under cloudy skies with temperatures in the high 70s (F). This survey was conducted under Federal Antiquities Permit number 11-2920-88-L. A search of the National Register of Historic Places (NRHP) has been made, and no properties within this area are listed. Examination of the Bureau of Land Management Roswell Resource Area's site files showed one possible archaeological site within the section of land where the proposed project is located (Pat Flanary, personal communication July 21, 1989).

### Survey Techniques

Visual inspection of the proposed project area was accomplished by walking it in a series of parallel transects. Each transect was covered in a tightly spaced zigzag pattern. The distance between transects was approximately 25 ft (8 m). Dirt from insect and rodent burrows was examined for cultural materials that may have been brought up from below the surface. These methods maximized the opportunity of observing any cultural resources on the surface within or near the proposed area of disturbance.

### Red Rock NB Federal #2 and Access Road

#### Location

The proposed well pad and access road are located approximately 23 mi (37 km) north and 10 mi (16 km) east of Roswell, New Mexico. The proposed well pad covers 3.67 acres and measures 400 ft x 400 ft (122 m x 122 m). The proposed access road covers 5.23 acres and measures 2280 ft x 100 ft (695 m x 30 m). They are situated as follows:

#### *Well Pad:*

SE 1/4 SW 1/4, SEC. 28, T06S, R25E, NMPM, Chaves County, NM (BLM)

#### *Access Road:*

SE 1/4 SW 1/4, SEC. 28, T06S, R25E, NMPM, Chaves County, NM (BLM)  
NE 1/4 NW 1/4, SEC. 33, T06S, R25E, NMPM, Chaves County, NM (BLM)  
SE 1/4 NW 1/4, SEC. 33, T06S, R25E, NMPM, Chaves County, NM (BLM)

Plat: Figure 1

Map References USGS Shannon Draw, N.Mex. Quadrangle, 7.5 minute series, 1967 (Figure 2)

### Topographic Situation

The proposed well pad and access road are located on the Diamond A Plain approximately 1000 ft (305 m) south of Fivemile Draw. They are on a gently sloping surface approximately 8 mi (13 km) west of the Pecos River. The channel of Fivemile Draw at this location exhibits lateral accretion, where sediments are being deposited at a bar before the draw turns south and becomes more entrenched. The elevation ranges from 3740 ft (1137 m) to 3780 ft (1149 m) above mean sea level (amsl).

### Water Resources

Several sources of seasonal water exist in this area of New Mexico. Fivemile Draw is approximately 1000 ft (304 m) north of the project area and several other intermittent drainages exist within a 10 mi (16 km) radius. Seasonal water may have been obtained at these drainages. The closest source of permanent water is the Pecos River, approximately 8 mi (13 km) to the east.

### Land Resources

The proposed well pad and access road are in an area where sediments are predominantly reddish-brown sandy clay loam. Taxonomically they are classified as part of the Haplargids-Ustipsamments association, which comprise some of the moderately dark-colored soils of the East Central Plains Region (Maker et al. 1974). Soils of this association are found on level and gently sloping areas west of the Pecos River floodplain. Lithic inclusions observed in the project area include few to common pebbles and cobbles of limestone, outcrops of gypsum, and pebbles of quartzite.

### Biotic Resources

The ACA archaeologists observed a moderately dense floral assemblage at this location. The estimated coverage of vegetation in the area is approximately 80% consisting of sidecoats grama (*Bouteloua curtipendula*), little bluestem (*Andropogon scoparis*), yucca (*Yucca glauca*), pricklypear (*Opuntia* sp.), cane cholla (*Opuntia spinosior*), purple pricklypear (*Opuntia macrocentra*), desert holly (*Perezia nana*), rubber rabbitbush (*Chrysanthomus nauseosus*), broom snakeweed (*Gutierrezia sarothrae*), and several unidentified grasses.

**OIL CONSERVATION DIVISION**

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

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

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 <b>YATES PETROLEUM CORPORATION</b>			Lease <b>RED ROCK "NB" FEDERAL</b>			Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>28</b>	Township <b>6 South</b>	Range <b>25 East</b>	County <b>NMPM Chaves</b>		

Actual Footage Location of Well:  
 1980 feet from the West line and 330 feet from the South line

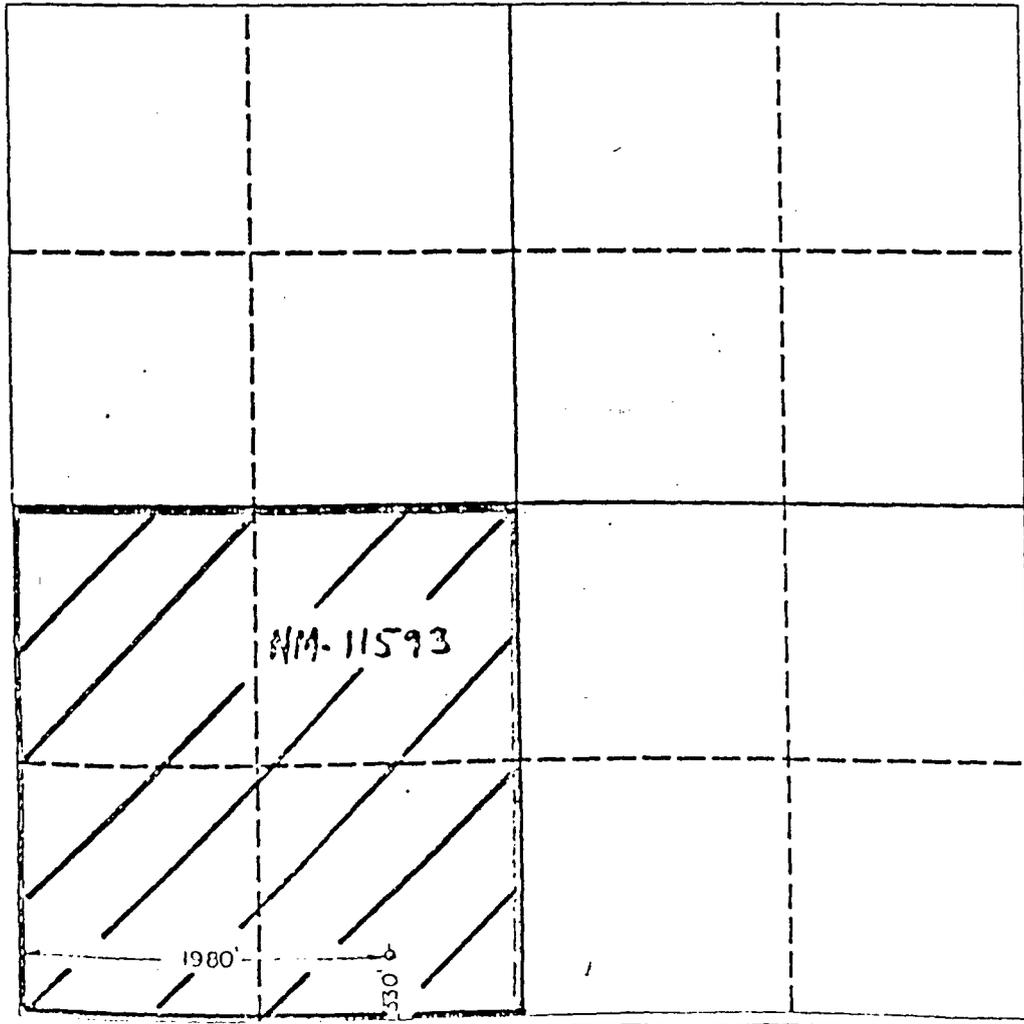
Ground level Elev. <b>3741.9</b>	Producing Formation <b>Abo</b>	Pool <b>PECOS SLOPE ABO</b>	Dedicated Acreage: <b>160</b> Acres
-------------------------------------	-----------------------------------	--------------------------------	--

- 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, utilization, 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, utilization, 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: *Clyde R. May*  
 Printed Name: **CLYDE R. MAY**  
 Position: **PERMIT AGENT**  
 Company: **YATES PETROLEUM CORPORATION**  
 Date: **JULY 18, 1989**

**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 knowledge and belief.

Date Surveyed: **7/17/89**

Signature & Seal of Professional Surveyor:

Figure 1. Plat.

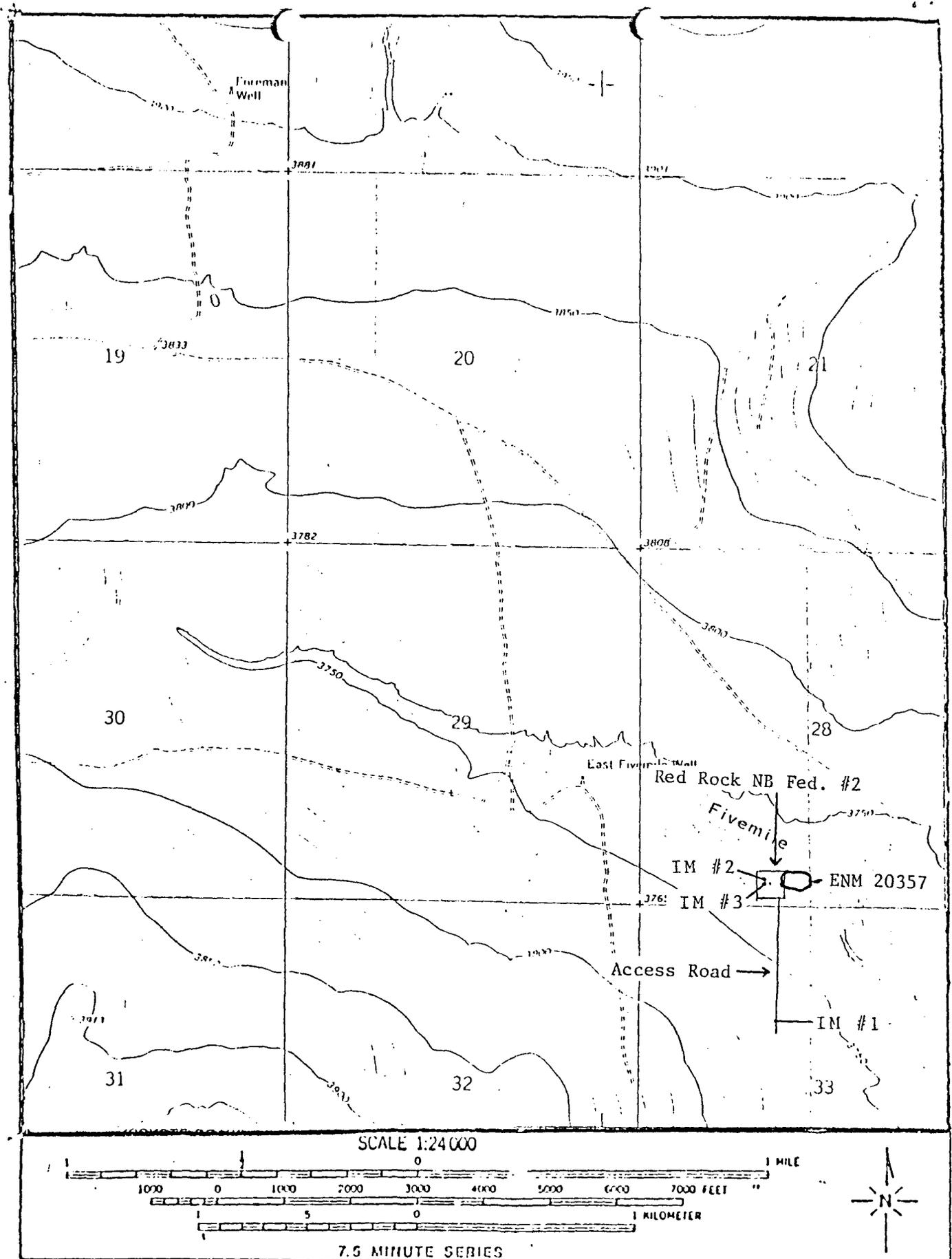


Figure 2. Location of Red Rock NB Federal No. 2 and Access Road in Section 28, T06S, R25E, NMPM, Chaves County, New Mexico.

Map Reference: USGS Shannon Draw, N.Mex. Quadrangle, 1967

Previous Disturbances

The proposed project area has been disturbed previously by cattle grazing activity and erosion.

Cultural Resources

The ACA archaeologists found three isolated manifestations of prehistoric cultural activity and one prehistoric cultural resource site, ENM 20357, during this survey. They are described below and illustrated as a schematic drawing in Figures 3 and 4. A total of 5.0 person-hours was spent examining this location for cultural resources.

IM-1 This is a pinkish chert multidirectional exhausted core with 12 flake scars. The core contained approximately 20% cortex and measured 3.5 x 3 x 1 cm. It was found in a mesquite covered sandy sloping area 125 ft north of starting point and 25 ft east of the centerline. It was located in the NE 1/4 SE 1/4 NW 1/4, Sec. 33, T06S, R25E, NMPM, Chaves County, NM (Figures 2 and 3). UTM: Zone 13; E554675, N3735150.

IM-2 This is a yellow/tan chert expanding stemmed and corner notched projectile point. It has been basally thinned, and the edges are slightly convex. According to Robert Leslie (1963), this is a type 3B and is usually found throughout eastern New Mexico in association with Mogollon Brownware to Pecos Glaze 1 Red pottery. It measures 2.7 x 1.5 x .3 cm and was collected (Figure 5A). It was found on a mesquite and grass covered plain 50 ft west and 50 ft north of the proposed wellhead. The location is SW 1/4 SE 1/4 SW 1/4, Sec. 28, T06S, R25E, NMPM, Chaves County, NM (Figures 2 and 4). UTM: Zone 13; E554810, N3735410.

IM-3 This is a gray chert projectile point medial fragment with straight edges. It measures 2.5 x 1.5 x .2 cm and was collected (Figure 5B). It appears to be a triangular projectile point but not enough of the point remains for it to be diagnostic. It was found on a mesquite and grass covered plain 50 ft west of the proposed wellhead. The location is SW 1/4 SE 1/4 SW 1/4, Sec. 28, T06S, R25E, NMPM, Chaves County, NM (Figures 2 and 4). UTM: Zone 13, E553800, N3735485.

ENM 20357 (Figures 2 and 6)

*Location*

SE 1/4 NE 1/4 SW 1/4, Sec. 28, T06S, R25E, NMPM, Chaves County, NM.

*UTM:* Zone 13; E 554810, N 3735490 (center)

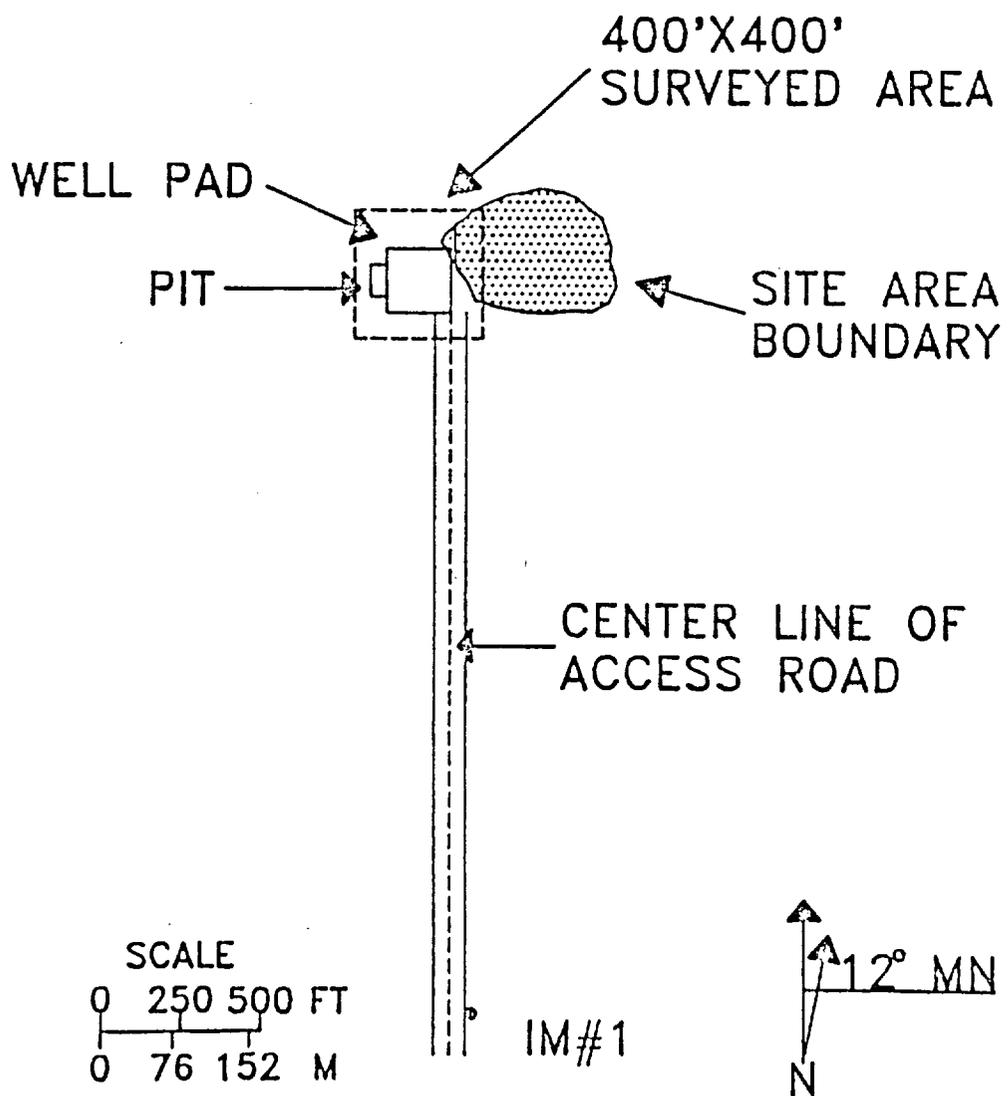
*Ownership:* Bureau of Land Management

*Map Reference:* USGS Shannon Draw, N. Mex., 7.5 minute series, 1967

*Site Type:* Prehistoric Temporary Camp Locale

*Site Size:* 500 ft x 500 ft (152 m x 152 m); ca. 5.7 acres

# RED ROCK "NB" FEDERAL NO. 2



ACA CADD LAB  
SEK 7.25.09

Figure 3. Schematic of project area.

# RED ROCK "NB" FEDERAL NO. 2

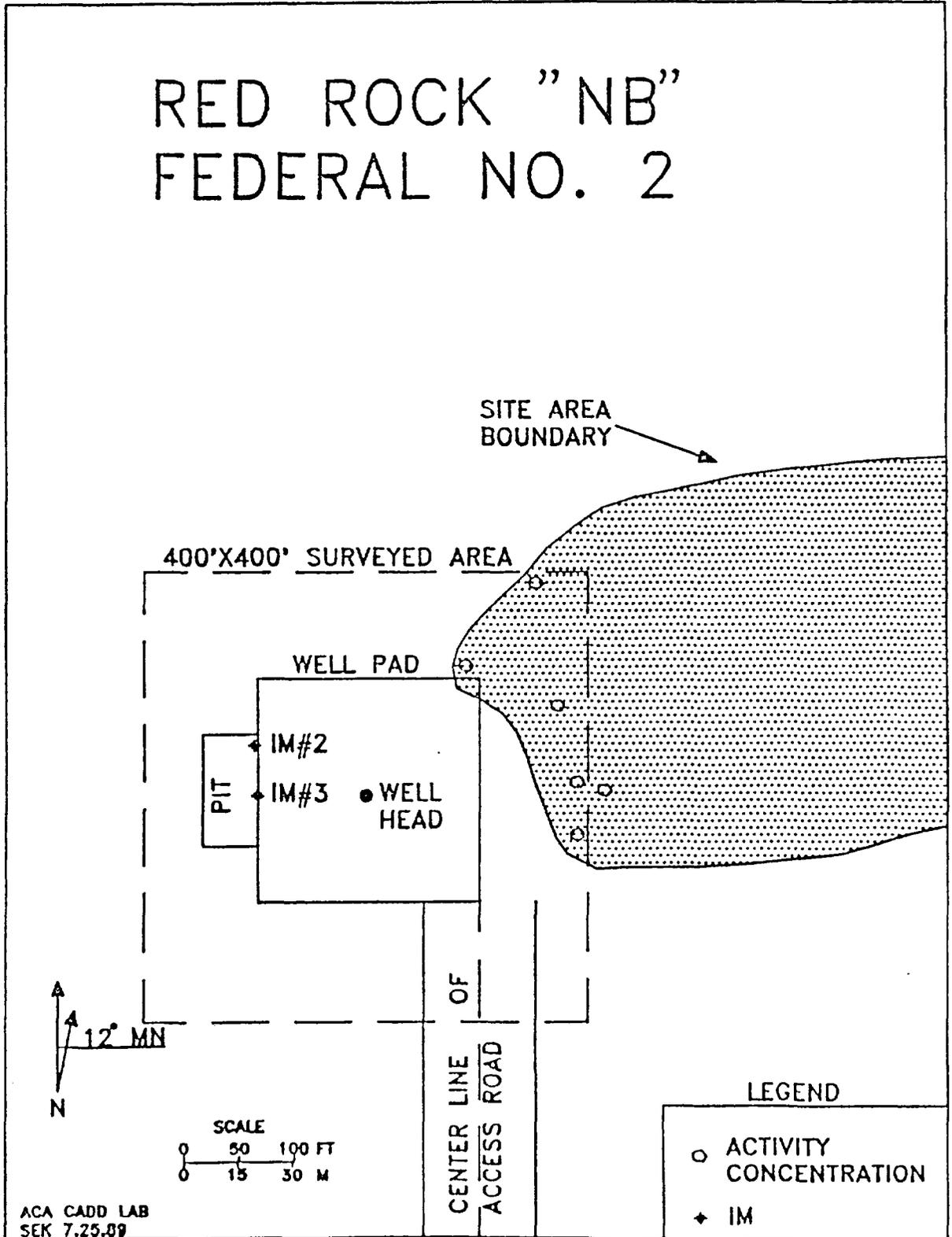


Figure 4. Schematic of well pad and cultural resources.

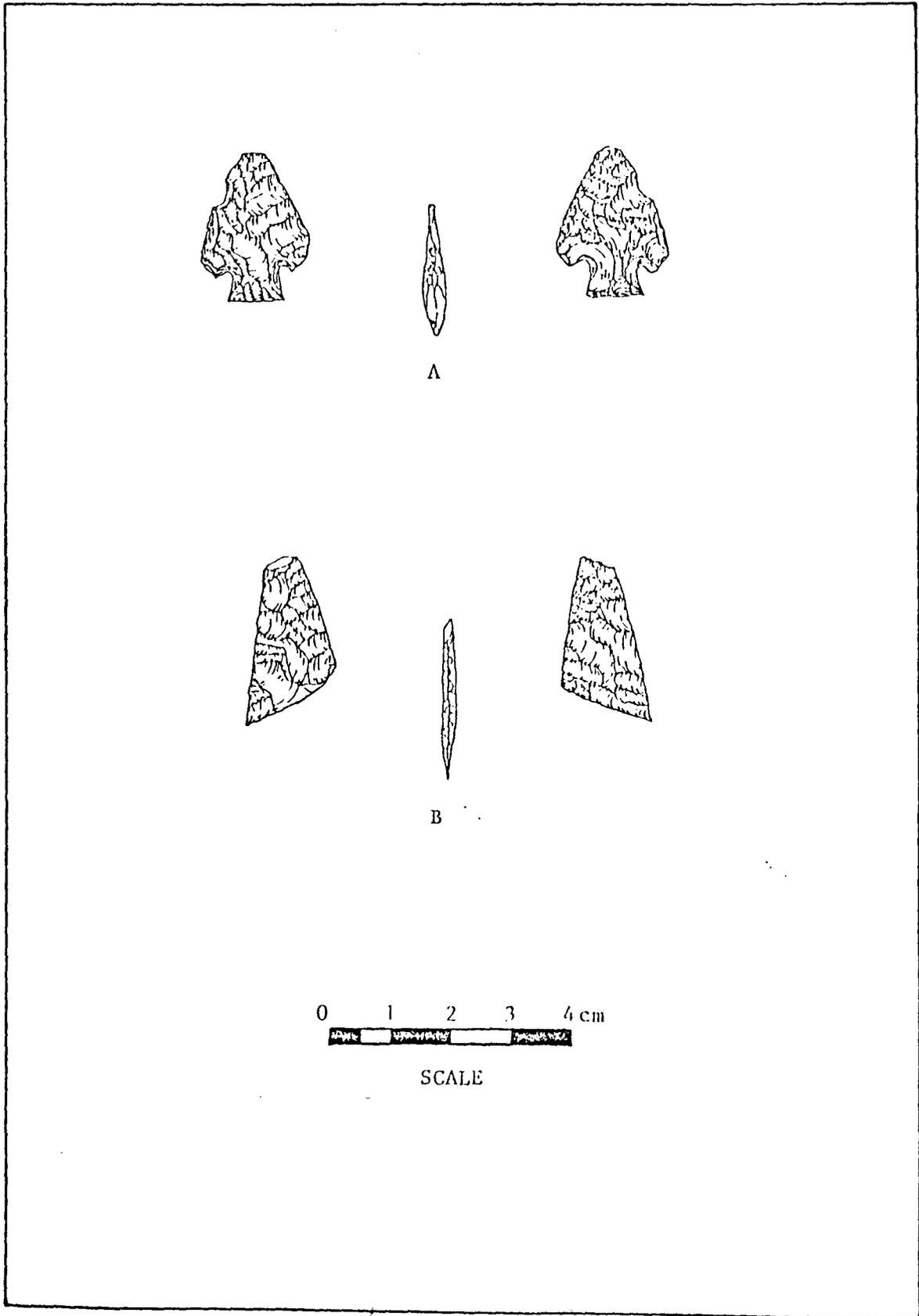


Figure 5. Sketches of collected isolated manifestations: A. IM-2;  
B. IM-3.

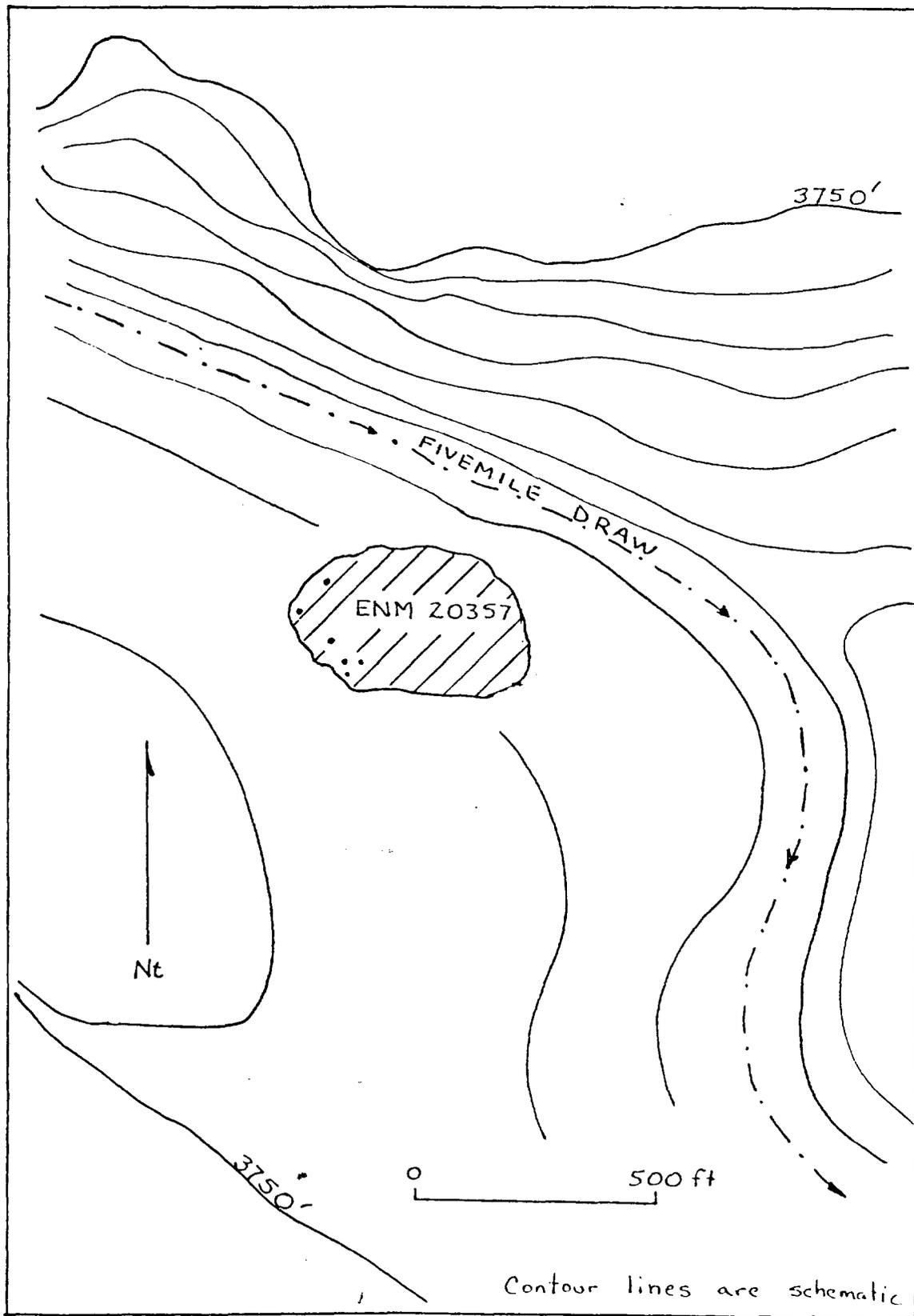


Figure 6. Sketch map of ENM 20357.

Cultural resource site ENM 20357 is a prehistoric temporary camp locale (Kemrerc and Kearns 1984) characterized by several hearth features and a mixed flake stone assemblage. No groundstone artifacts or ceramics were found. The site is located on the north facing slope of Fivemile Draw at an elevation of 3740 ft (1137 m) and measures approximately 500 ft x 500 ft (152 m x 152 m). The site boundary may extend even further southeast if slopewash has carried cultural materials into Fivemile Draw and then downstream. This portion of Fivemile Draw at this location exhibits lateral accretion, where sediments are being deposited at a bar before the draw turns south and becomes more entrenched. One soil probe indicated an excess of 10 cm of soil on the site so there is a good possibility for buried deposits. The vegetation of the site includes mesquite, purple pricklypear, rubber rabbitbush, broom snakeweed, desert holly, sideoats grama, little bluestem, and several unidentified grasses. Natural lithic inclusions consist of limestone pebbles, gypsum outcrops, silicified wood fragments, chert, and quartzite pebbles.

The site contained 5 hearth areas, each approximately 3 ft (1 m) in diameter and each with 10 to 30 pieces of fire-cracked rock. No charcoal was noted, but every hearth has potential for dating because they appear to have spatial integrity. It is also possible that portions of the hearths remain buried. Every hearth is found within an artifact reduction area. Lithic technology includes both percussion and pressure flaking techniques. The lithic assemblage of the site consists of 20+ cores of red and purple quartzite, tan and white chert, and pink and white chalcedony; approximately 30+ primary, 40+ secondary, and 30+ tertiary flakes of red and purple quartzite; yellow, tan, and white chert; and white to pink chalcedony. Artifacts were found throughout the site but were observed to be concentrated in at least six areas. These are identified as artifact activity (reduction) areas (Figure 4) because of the preponderance of cores and initial lithic reduction flakes and debris in each area. The spatial clustering of these artifact reduction areas could be interpreted in other ways; however for this initial survey and recording they are interpreted as lithic reduction areas. It is interesting that the presence of hearth features is strongly correlated with these artifact reduction areas. Also noted was one red quartzite tool, unifacially modified along all margins. A second tool of gray to purple chert was found; it was unifacially modified on the distal end. A third tool of tan chert with a purple band was found, unifacially modified on all margins. The number of uniface tools would imply some type of processing, but the lack of ground stone indicates that grinding was not a part of the process.

While ENM 20357 is a temporary camp locale, it is important to recognize several things. First, as a camp locale, it lacks evidence for grinding tools and for ceramics. It does have at least three unifacially-modified tools that appear to have been used for some sort of processing (plant?). But the dominant activity appears to be lithic reduction using the abundant lithic materials found at this location. In addition, it appears that the site occupants remained long enough at this location to prepare hearths as well as reduce lithic materials and process other resources. On the basis of this cultural resource site ENM 20357 can provide important information concerning intrasite activity areas, subsistence activity, and lithic reduction technology. The integrity of the site appears to be very good as there is depth to it. Based on all of this, ENM 20357 may be eligible for the NRHP and should be avoided.

Recommendations

The three isolated manifestations of prehistoric cultural activity are not considered to possess the qualifications necessary for inclusion in the NRHP. Cultural resource site, ENM 20357, may be potentially eligible for the NRHP and must be avoided. To do so the well pad should be moved 250 ft (76 m) south and 250 ft (76 m) west of its current location. In the event the pad is moved and construction is started, a professional archaeologist should be on hand to monitor the construction because of the potential for buried artifacts at ENM 20357.

**General Recommendations**

In the event that substantial cultural materials are uncovered during construction, the Roswell Bureau of Land Management resource area Archaeologist should be consulted immediately. This report contains professional opinions about cultural resources in the project area. It should not be considered permission to proceed with construction, but should be submitted to the proper review agencies for comments prior to the initiation of land-altering activities.

**References Cited**

- Kemrer, Meade F., and Timothy M. Kearns  
1984 *An Archaeological Research Design Project for the Abo Oil and Gas Field, Southeastern New Mexico*. Submitted to the Bureau of Land Management, Roswell District
- Leslie, Robert H., and John A. Corley  
1963 *Projectical Point Types of Extreme Southeastern New Mexico*. Bulletin 4. Lea County Archaeological Society.
- Maker, H.J., H.E. Dregne, V.G. Link, and J.U. Anderson  
1974 *Soils of New Mexico*. Agricultural Experiment Station Research Report 285. New Mexico State University, Las Cruces.

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  
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RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

July 18, 1989

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. William LeMay

Re: Non-Standard Location  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28, T6S-R25E  
Chaves County, New Mexico

Gentlemen:

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

The reason for requesting this non-standard location is topographic. Our preferred location was 660' FSL and 1980' FEL but this location fell in major drainage. Our next choice is 330' FSL and 1980' FWL.

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 slip showing where the offset operators have been notified. Offset operator has been notified of our intentions, by certified mail, via a xerox copy of this letter. Yates Petroleum Corporation has the other offsetting leases.

Formations we expect to drill through are: San Andres, Glorieta, Yeso and the Abo.

If you have any questions concerning this matter, please do not hesitate to call us.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Clifton R. May  
Permit Agent

Enclosures

YATES PETROLEUM CORPORATION  
Case No. 9725  
11/01/89 Examiner Hearing  
Exhibit No. 3

P 920 344 590

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to	NMOCD
Street and No	P. O. Box 2088
P O. State and ZIP Code	Santa Fe, NM 87501
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom. Date. and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

<b>3. Article Addressed to:</b> New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501	<b>4. Article Number:</b> p 920 344 590 <b>Type of Service:</b> <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
<b>5. Signature - Addressee</b> X	<b>8. Addressee's Address (ONLY if requested and fee paid)</b> Red Rock NB Fed. #2
<b>6. Signature - Agent</b> X <i>Lawrence</i>	
<b>7. Date of Delivery</b>	

*SA*  
*920 344 590*  
*1985*

PS Form 3811, Feb. 1986

**DOMESTIC RETURN RECEIPT**

Red Rock "NB" Federal #2  
330" FNL and 1980" FWL of  
Section 28-T6S-R25E  
Chaves County, New Mexico

Offset Operators:

Mesa Operating Limited Partnership  
P. O. Box 2009  
Amarillo, Texas 79189-2009

Attention: Mr. Mark Seale

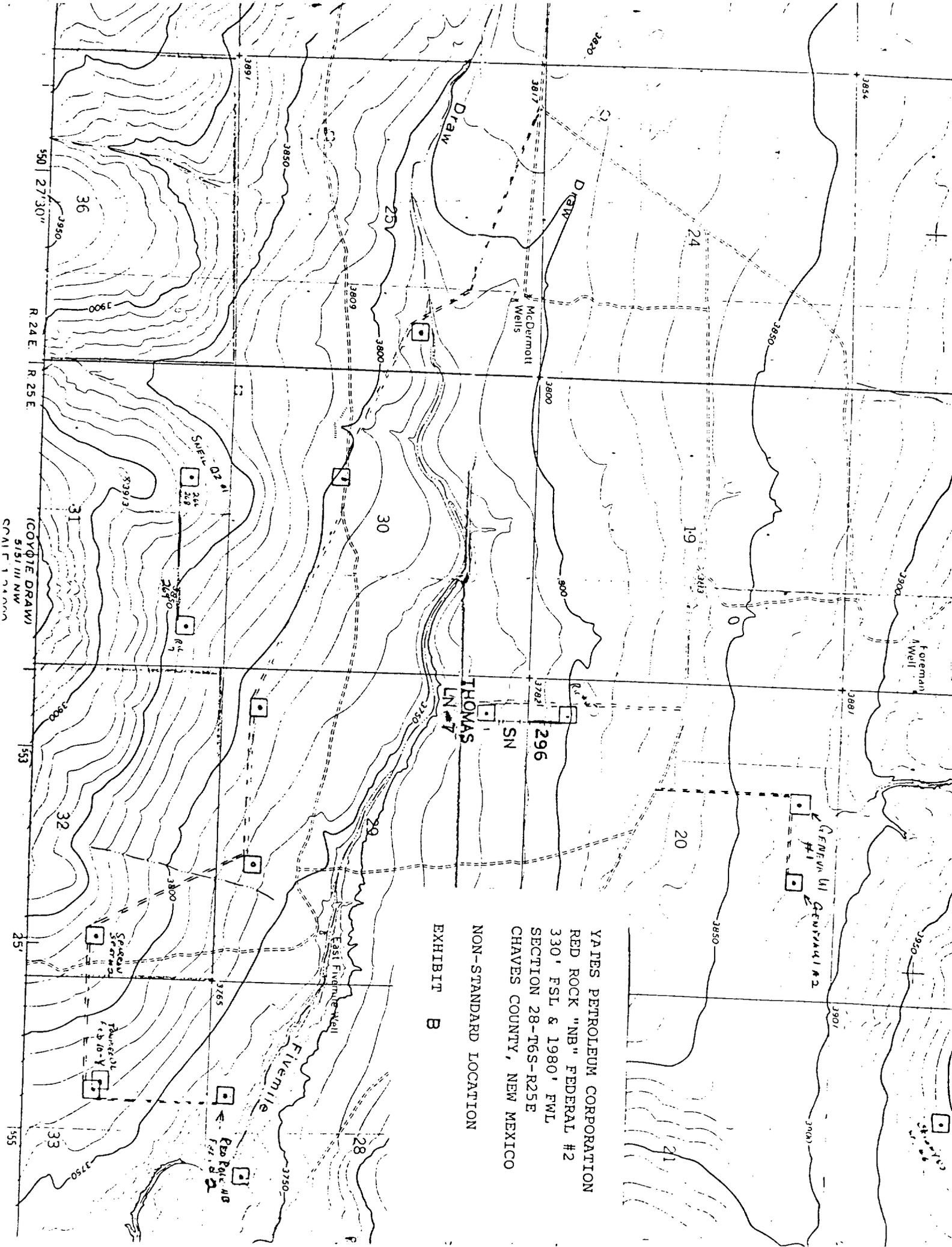
Yates Petroleum Corporation has the other offsetting leases.

<p>16</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>21</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>22</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>23</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>24</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>25</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>26</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>27</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>29</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>30</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>31</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>32</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>33</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>34</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>35</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>36</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>37</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>38</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>39</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>40</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>41</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>42</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>43</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>44</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>45</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>46</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>47</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>48</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>49</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>	<p>50</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p> <p>28</p> <p>Assurance</p> <p>6 27 87</p> <p>HL Spectrum</p>
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YATES PETROLEUM CORPORATION  
 RED ROCK "NB" FEDERAL #2  
 330' FSL & 1980' FWL  
 SECTION 28-T6S-R25E  
 CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION  
 EXHIBIT A

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YATES PETROLEUM CORPORATION  
 RED ROCK "NB" FEDERAL #2  
 330' FSL & 1980' FWL  
 SECTION 28-T6S-R25E  
 CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT B

(COYOTE DRAW)  
 515/111 NW  
 SCALE 1:24,000

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**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

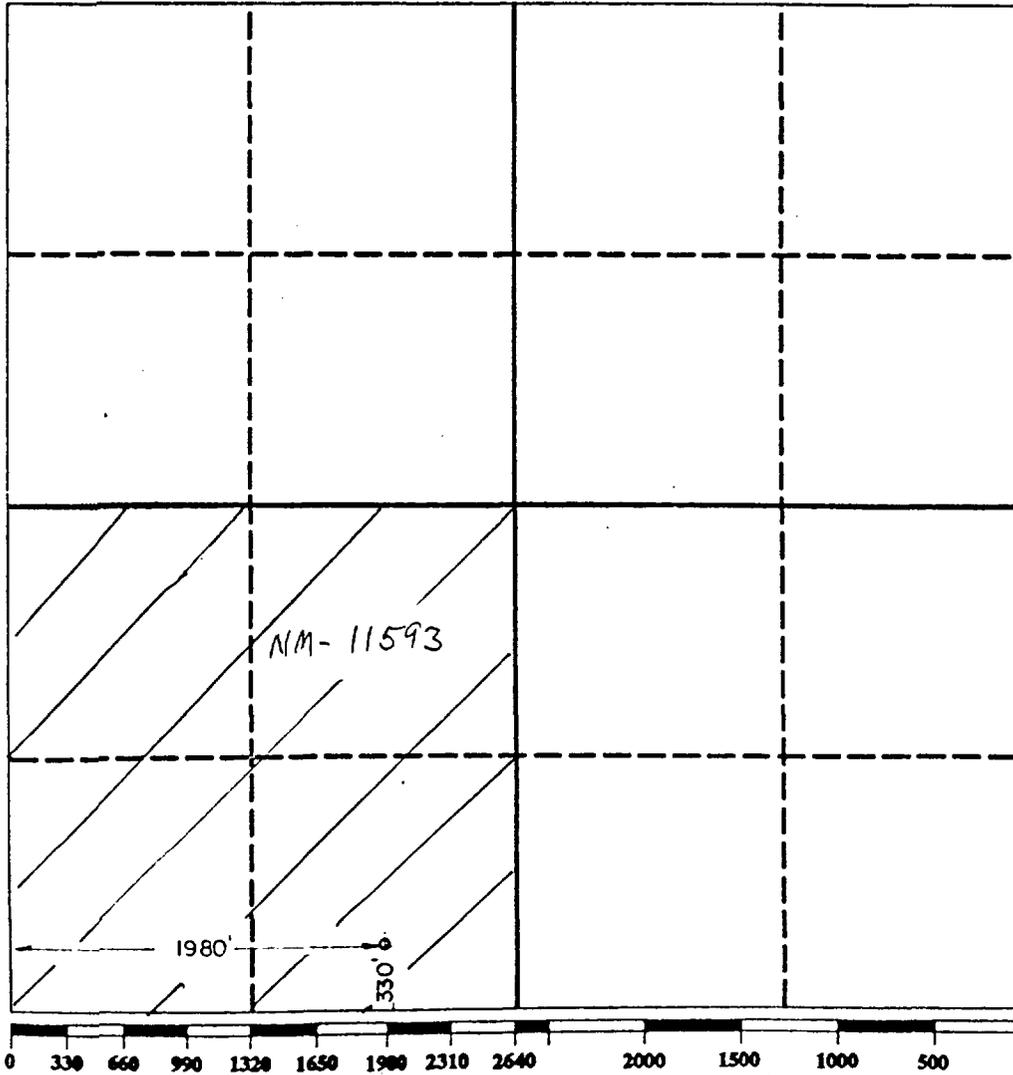
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>RED ROCK "NB" FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>28</b>	Township <b>6 South</b>	Range <b>25 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>West</b> line and <b>330</b> feet from the <b>South</b> line					
Ground level Elev. <b>3741.9</b>	Producing Formation <b>Abo</b>		Pool <b>PECOS SLOPE Abo</b>	Dedicated Acreage: <b>160</b> 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: *Clifton R. May*  
 Printed Name: **CLIFTON R. MAY**  
 Position: **PERMIT AGENT**  
 Company: **YATES PETROLEUM CORPORATION**  
 Date: **7-18-89**

**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 knowledge and belief.

Date Surveyed: **7/17/89**  
 Signature & Seal of Professional Surveyor:  
  
 Certificate No. \_\_\_\_\_

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

July 18, 1989

JUL 19 1989  
10:00  
10:00

Mesa Operating Limited Partnership  
P. O. Box 2009  
Amarillo, Texas 79189-2009

Re: Non-Standard Location for  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28, T6S-R25E  
Chaves County, New Mexico

Gentlemen:

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

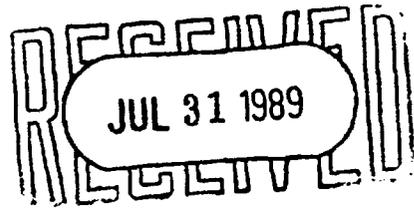
W A I V E R

As an offset operator, Mesa Operating Limited Partnership has no objections to the non-standard location for the captioned well.

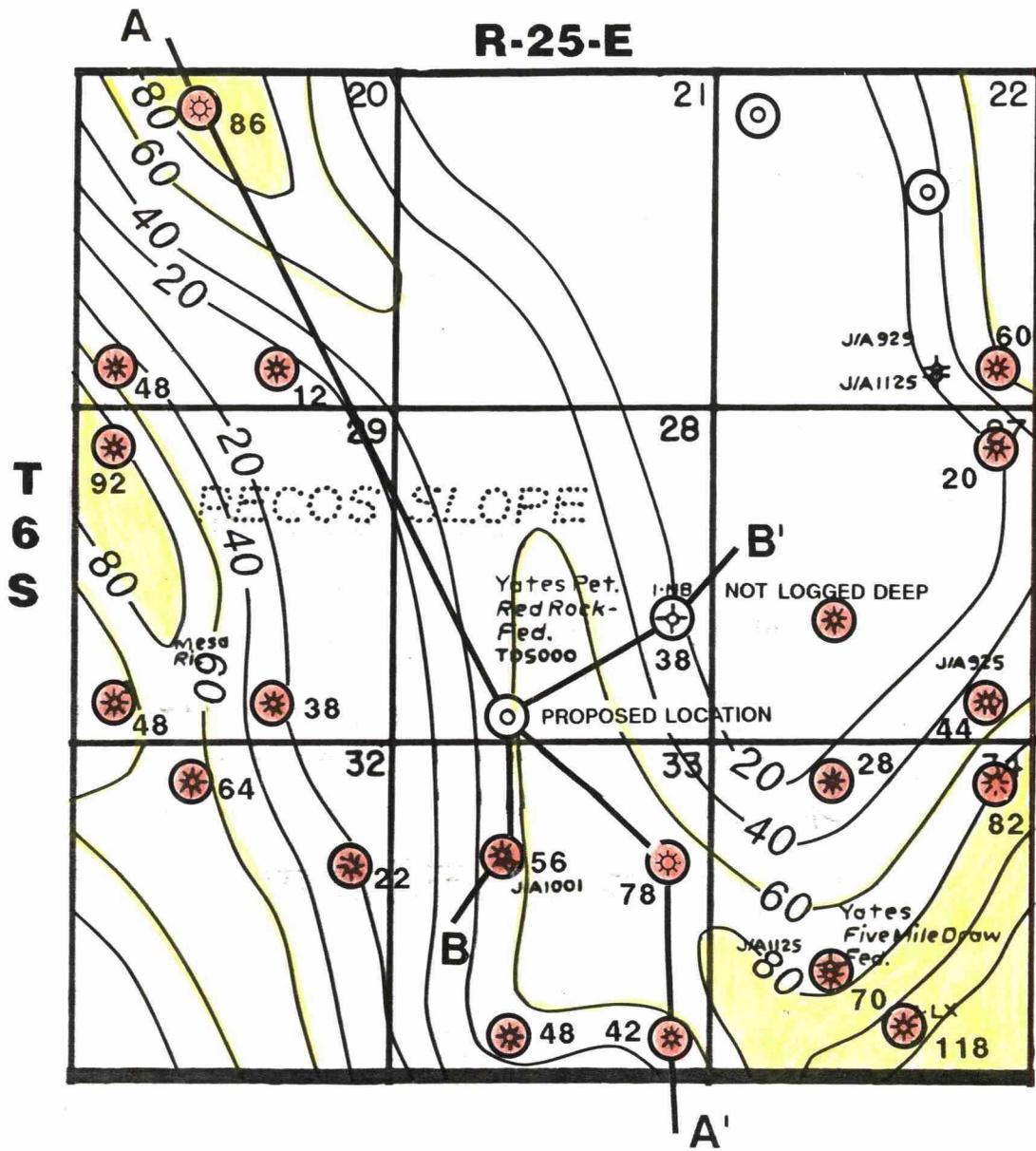
*Richard W. Petrie*  
Name Richard W. Petrie *ms*

Manager-Land  
Title

July 21, 1989  
Date



*with name on this*



**YATES PETROLEUM CORPORATION**

**UNORTHODOX LOCATION**

**RED ROCK "NB" FED. NO. 2**

**CHAVES COUNTY, N.M.**

**ABO - NET SAND MAP**

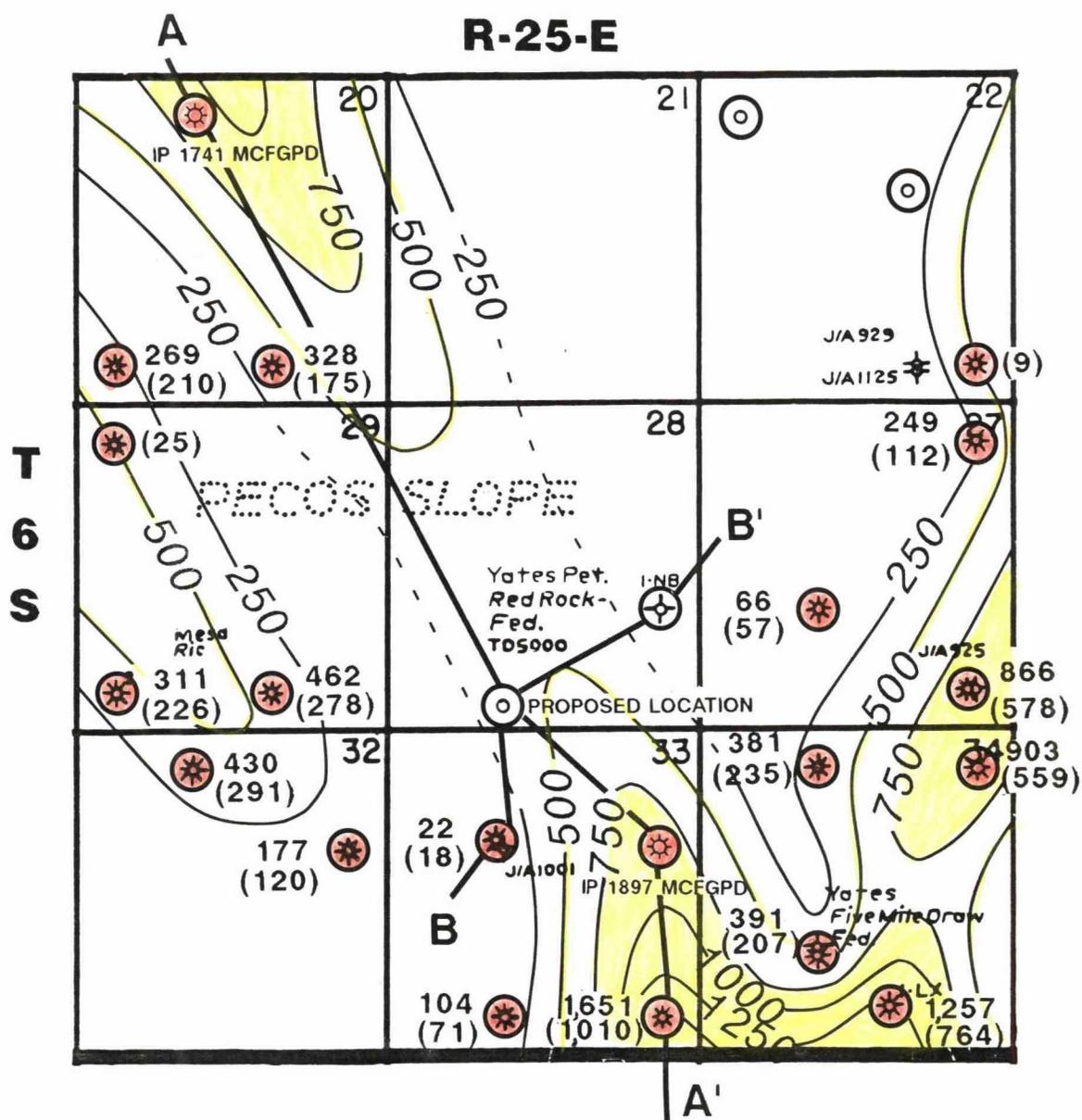
☉ **PENETRATED ABO**

☼ **ABO PRODUCERS**

C. I. = 20'

YATES PETROLEUM CORPORATION  
 Case No. 9725  
 11/01/89 Examiner Hearing  
 Exhibit No. 4





**YATES PETROLEUM CORPORATION**  
**UNORTHODOX LOCATION**  
**RED ROCK "NB" FED. NO. 2**  
**CHAVES COUNTY, N.M.**

**ULTIMATE RECOVERY MAP**  
**(000) - '88 CUMMULATIVES**

- ☉ PENETRATED ABO
- ☀ ABO PRODUCERS

C. I. = 250 MMCFG