

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

VD	TP	 <b>YATES PETROLEUM CORPORATION</b>
PT	DBK	
GG	DB	
EW	DF	
PR	LRRT	
File		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

March 27, 1990

RECEIVED  
MAR 29 1990  
LAND DEPT.  
MIDLAND, TX

Santa Fe Operating Partners, L.P.  
500 West Illinois, Suite 500  
Midland, Texas 79701

Attention: Patrick J. Tower

RE: Ocotillo ACI Federal #1  
Township 20 South, Range 24 East, NMPM  
Section 10: E/2  
Eddy County, New Mexico

Gentlemen:

As per your request, enclosed is the statement of no objection to the unorthodox location on the captioned well. This instrument has been executed on behalf of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation, Myco Industries, Inc., the Estate of Martin Yates III, and Lillie M. Yates.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

*Kathy H. Porter*  
Kathy H. Porter  
Landman

KHP:cp

Enclosure

BEFORE EXAMINER CALA BACH  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
9900

## **Santa Fe Energy Operating Partners, L.P.**

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**Santa Fe Pacific Exploration Company  
Managing General Partner**

CERTIFIED MAIL - RETURN RECEIPT  
also - TELECOPIED

March 12, 1990

Yates Petroleum Corporation,  
Ms. Lillie M. Yates,  
Martin Yates III Estate,  
Yates Drilling Company,  
ABO Petroleum Corporation,  
MYCO Industries Inc.  
105 South 4th Street  
Artesia, New Mexico 88210

Attn: Kathy Porter

Re: OD-NM-617,131  
Otillo ACI Federal #1  
660' FNL & 660' FEL  
Sec. 10, T-20-S, R-24-E, NMPM  
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Operating Partners, L.P. (Santa Fe) proposes the drilling of the above-referenced well to 9,600' to test the Morrow Formation at an unorthodox location according to NMOCD rules. The E/2 of section 10 will be the proration unit for this test.

If your Company, as an offset operator, has no objection to this unorthodox location; please so signify by signing the statement below and returning one copy to me at your earliest convenience.

Santa Fe has scheduled this matter for hearing on April 4, 1990 before the NMOCD. In this regard enclosed please find a copy of the Application filed with the NMOCD. Should you have any objection, please so indicate within the 20 day period required from receipt of this letter.

Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By:   
Patrick J. Tower, Senior Landman

PJT/pt  
Enclosures

Permian Basin District  
500 W. Illinois  
Suite 500  
Midland, Texas 79701  
915/687-3551

Yates Petroleum Corporation, et al  
March 12, 1990  
Page 2

YATES PETROLEUM CORPORATION as  
an offset operator does not  
object to the drilling of the  
above-referenced unorthodox  
location.

By:   
John A. Yates, Attorney-In-Fact

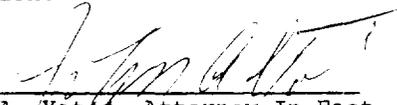
Date: March 27, 1990

YATES DRILLING COMPANY as  
an offset operator does not  
object to the drilling of the  
above-referenced unorthodox  
location.

By:   
Peyton Yates, Attorney-In-Fact

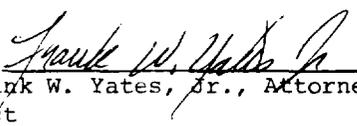
Date: March 27, 1990

ABO PETROLEUM CORPORATION as  
an offset operator does not  
object to the drilling of the  
above-referenced unorthodox  
location.

By:   
John A. Yates, Attorney-In-Fact

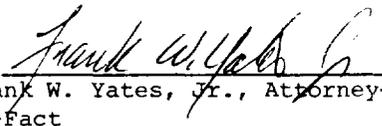
Date: March 27, 1990

MYCO INDUSTRIES, INC., as  
an offset operator does not  
object to the drilling of the  
above-referenced unorthodox  
location.

By:   
Frank W. Yates, Jr., Attorney-In-Fact

Date: March 27, 1990

THE ESTATE OF MARTIN YATES III  
and LILLIE M. YATES, as offset  
operators do not object to the  
drilling of the above-referenced  
unorthodox location.

By:   
Frank W. Yates, Jr., Attorney-  
In-Fact

Date: March 27, 1990

# Santa Fe Energy Operating Partners, L.P.

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Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

also - TELECOPIED

March 12, 1990

Feimont Oil and Gas  
c/o Torch Energy  
350 Glenborough, Suite 300  
Houston, Texas 77067

Attn: Dan Rembert

Re: OD-NM-617,131  
Ocotillo ACI Federal #1  
660' FNL & 660' FEL  
Sec. 10, T-20-S, R-24-E, NMPM  
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Operating Partners, L.P. (Santa Fe) proposes the drilling of the above-referenced well to 9,600' to test the Morrow Formation at an unorthodox location according to NMOCD rules. The E/2 of section 10 will be the proration unit for this test.

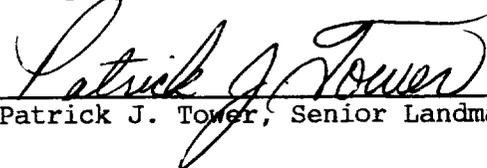
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Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By:

  
Patrick J. Tower, Senior Landman

PJT/pt  
Enclosure  
xc: Carlos Saucedo, Dist. Eng. Torch Energy  
1221 Lamar Suite 1600  
Houston, Texas 79010

Permian Basin District  
500 W. Illinois  
Suite 500  
Midland, Texas 79701  
915/687-3551

Felmont Oil and Gas  
c/o Torch Energy  
March 12, 1990  
Page 2

\_\_\_\_\_ as  
an offset operator does not object to  
the drilling of the above-referenced  
unorthodox location.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Santa Fe Energy Operating Partners, L.P.**

Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT  
also - TELECOPIED

March 12, 1990

Felmont Oil and Gas  
c/o Torch Energy  
350 Glenborough, Suite 300  
Houston, Texas 77067

Attn: Dan Rembert

Re: OD-NM-617,131  
Ocotillo ACI Federal #1  
660' FNL & 660' FEL  
Sec. 10, T-20-S, R-24-E, NMPM  
Eddy County, New Mexico

*xerox orig.*

Gentlemen:

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Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

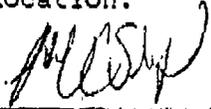
By: *Patrick J. Tower*  
Patrick J. Tower, Senior Landman

PJT/pt  
Enclosure  
xc: Carlos Saucedo, Dist. Eng. Torch Energy  
1221 Lamar Suite 1600  
Houston, Texas 79010

Permian Basin District  
800 W. Illinois  
Suite 600  
Midland, Texas 79701  
915/687-3331

Felmont Oil and Gas  
c/o Torch Energy  
March 12, 1990  
Page 2

TORCH OIL & Gas Company,  
SUCCESSOR-IN-INTEREST TO  
FELMONT OIL CORPORATION as  
an offset operator does not object to  
the drilling of the above-referenced  
unorthodox location.

By: 

ROLAND SLEDGE

Title: VICE PRESIDENT

Date: 4/3/90

# Santa Fe Energy Operating Partners, L.P.

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Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

also - TELECOPIED

March 12, 1990

Conoco, Inc.  
P. O. Box 460  
Hobbs, New Mexico 88240

Attn: Vann Peters

Re: OD-NM-617,131  
Ocotillo ACI Federal #1  
660' FNL & 660' FEL  
Sec. 10, T-20-S, R-24-E, NMPM  
Eddy County, New Mexico

Gentlemen:

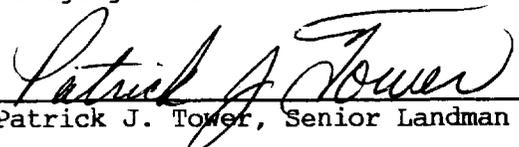
Santa Fe Energy Operating Partners, L.P. (Santa Fe) proposes the drilling of the above-referenced well to 9,600' to test the Morrow Formation at an unorthodox location according to NMOCD rules. The E/2 of section 10 will be the proration unit for this test.

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Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By:   
Patrick J. Tower, Senior Landman

PJT/pt  
Enclosure

Permian Basin District  
500 W. Illinois  
Suite 500  
Midland, Texas 79701  
915/687-3551

Conoco, Inc.  
March 12, 1990  
Page 2

Conoco Inc. as  
an offset operator does not object to  
the drilling of the above-referenced  
unorthodox location.

BY: Hugh Ingram

A handwritten signature in black ink, appearing to read "Hugh Ingram", written over a horizontal line. The signature is cursive and extends to the right of the line.

Title: Conservation Coordinator

Date: March 28, 1990

**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 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. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Yates Petr. Corp., Ms. Lillie M. Yates, Martin Yates III Estate, Yates Drilling Co., ABO Petr. Corp., MYCO Ind. Inc. 105 South 4th Street Artesia, New Mexico 88210 Attn: Kathy Porter	4. Article Number P 087 304 348
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 5-15-90	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**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 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. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Work: Doc.</i> P. O. Box 460 Hobbs, New Mexico 88240 Attn: Vann Peters	4. Article Number P 087 304 338
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 3-14-90	8. Addressee's Address (ONLY if requested and fee paid) <i>fee not paid</i>

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

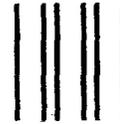
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1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>unorthodox location</i> Felmont Oil and Gas c/o Torch Energy 350 Glenborough, Suite 300 Houston, Texas 77067 Attn: Dan Rembert	4. Article Number P 087 304 337
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery MAR 16 1990	8. Addressee's Address (ONLY if requested and fee paid) <i>Same</i>

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



**SENDER INSTRUCTIONS**  
Print your name, address and ZIP Code in the space below.  
• Complete items 1, 2, 3, and 4 on the reverse.  
• Attach to front of article if space permits, otherwise affix to back of article.  
• Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

Patrick J. Tower, Santa Fe Energy O.P., L.P.

OD-NM-617,131

500 West Illinois, Suite 500

Midland, Texas 79701

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



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OD-NM-617,131

500 West Illinois, Suite 500

Midland, Texas 79701

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



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**RECEIVED**  
MAR 19 1990  
LAND DEPT.  
MIDLAND, TX



PENALTY FOR PRIVATE USE, \$300

RETURN TO

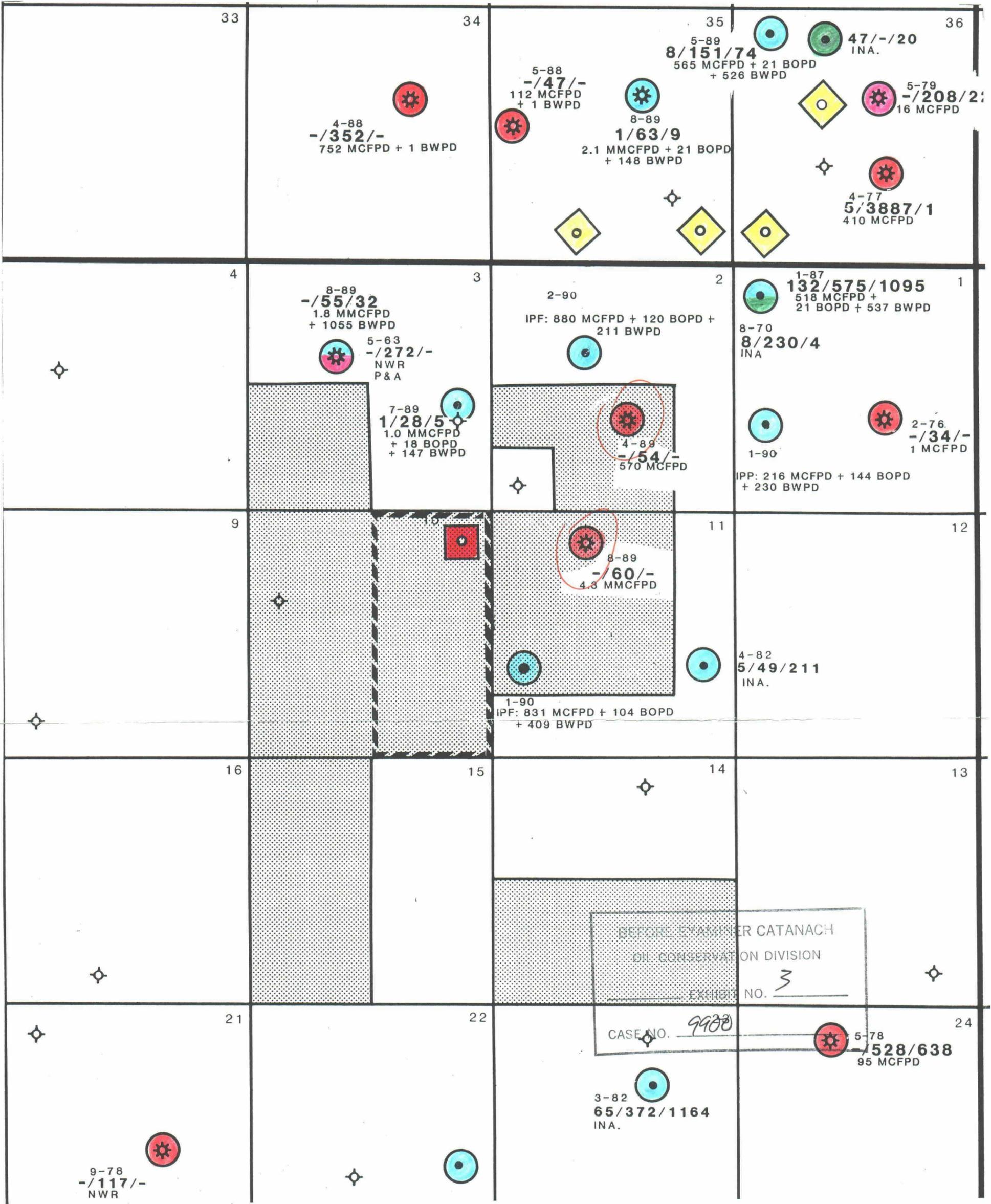
Print Sender's name, address, and ZIP Code in the space below.

Patrick J. Tower, Santa Fe Energy O.P., L.P.

OD-NM-616,131

500 West Illinois, Suite 500

Midland, Texas 79701



- SFEOP,LP ACREAGE
  - PROPOSED LOCATION
  - PROPOSED SPACING UNIT
  - INDUSTRY LOCATION
  - WOLFCAMP
  - CANYON
  - ATOKA
  - MORROW
- COMPLETION DATE  
(MBO/MMCFG/MBW)  
CUM. THRU 10-1-89
- (BOPD & MCFGPD & BWPD)  
DAILY RATE AS OF 10-1-89

SANTA FE ENERGY OPERATING PARTNERS, LP.  
PERMIAN BASIN DISTRICT  
MIDLAND, TEXAS

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Carlsbad Area  
**DAGGER DRAW PROSPECT**  
Eddy County, New Mexico

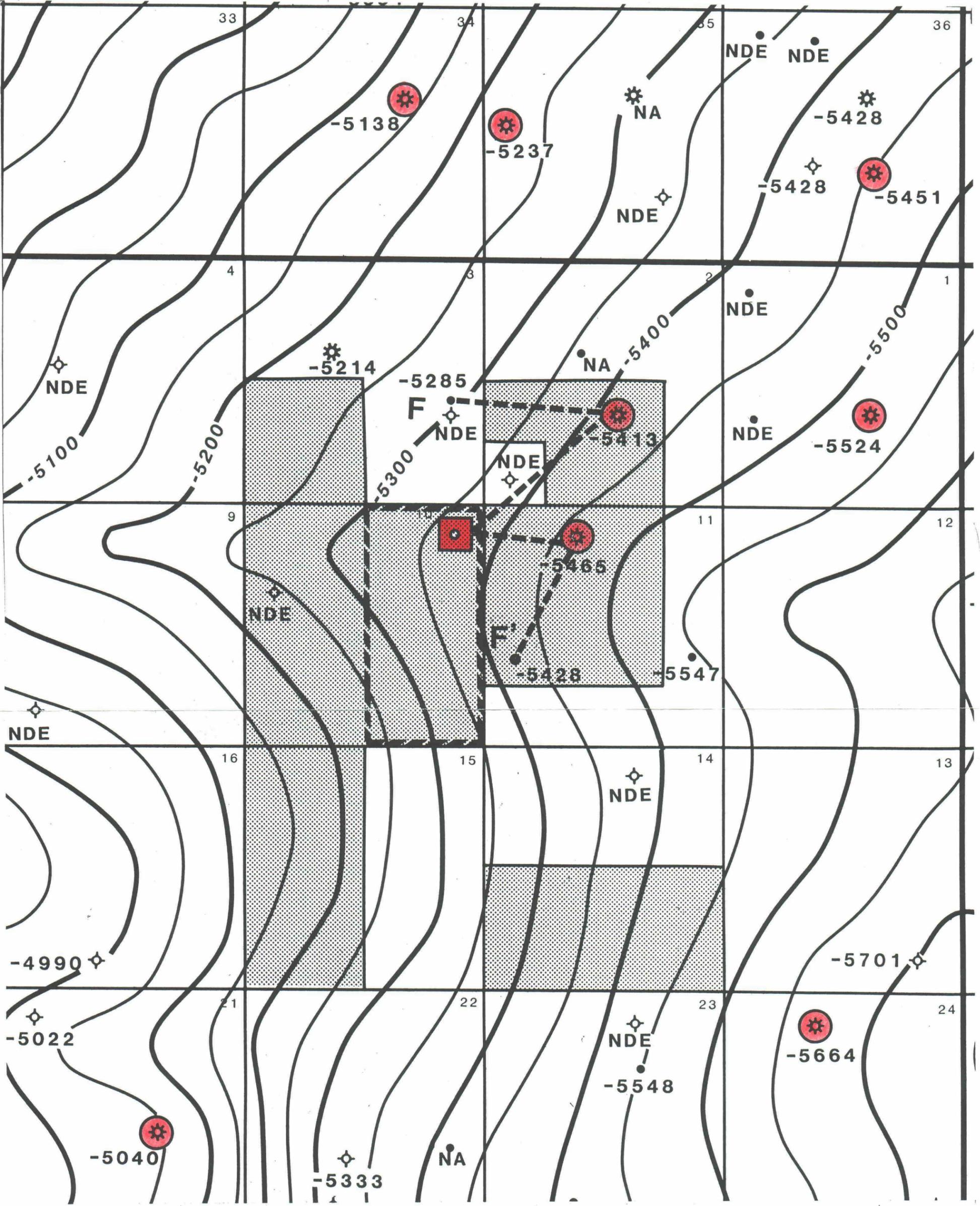
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**PRODUCTION PLAT**

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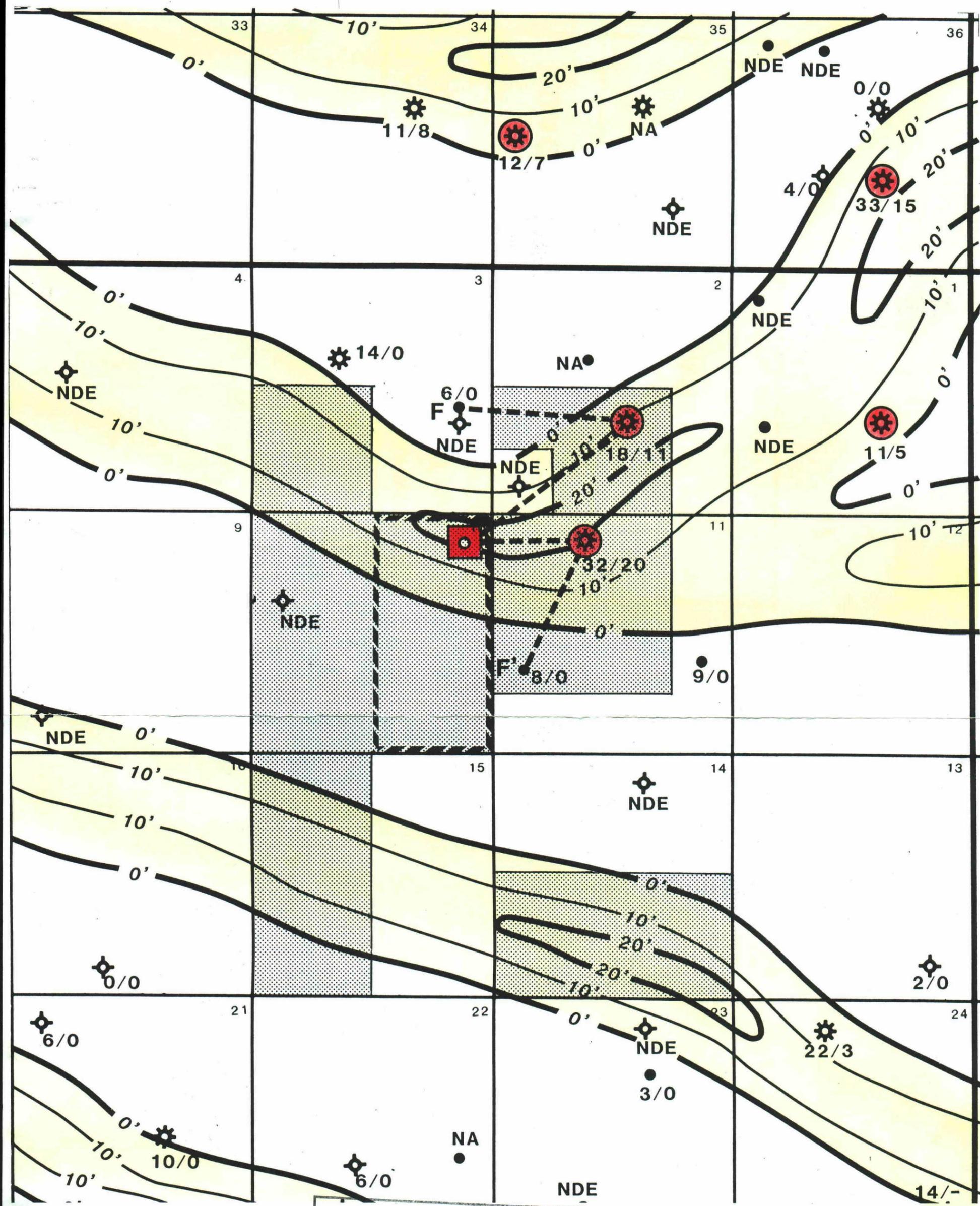
GEOL. B Insalaco  
SCALE 1"=2000'

DATE 3-27-90  
FILE 2-P-5



	SFEOP, LP ACREAGE	SEE EXAMINER CATANACH
	PROPOSED LOCATION	SEE EXAMINER CATANACH
	PROPOSED SPACING UNIT	SEE EXAMINER CATANACH
	MORROW SAND PRODUCER	SEE EXAMINER CATANACH
		EXHIBIT TO 4
		CASE NO. 9900

	SANTA FE ENERGY OPERATING PARTNERS, LP.
	PERMIAN BASIN DISTRICT MIDLAND, TEXAS
Carlsbad Area <b>DAGGER DRAW PROSPECT</b> Eddy County, New Mexico	
<b>STRUCTURE TOP OF MORROW CLASTIC MARKER</b>	
GEOL. B Insalaco SCALE 1":2000'	DATE 3-27-90 FILE 2-P-5
C.I. 50'	



BEFORE EXAMINER CATANACH  
 OIL CONSERVATION DIVISION  
 EXHIBIT NO. 5  
 CASE NO. 9900

 SFEOP, LP ACREAGE  
 PROPOSED LOCATION  
 PROPOSED SPACING UNIT  
 FIRST UPPER MORROW SAND PRODUCER

 SANTA FE ENERGY OPERATING PARTNERS, LP.  
 PERMIAN BASIN DISTRICT  
 MIDLAND, TEXAS  
 Carlsbad Area  
**DAGGER DRAW PROSPECT**  
 Eddy County, New Mexico  
**NET POROSITY ISOPACH  
 OF FIRST UPPER MORROW SAND**  
 CLEAN SS/SS W/ POROSITY ≥ 7%  
 GEOL. B Insalaco  
 SCALE 1":2000' DATE 3-27-90  
FILE 2-P-5  
 C.I.10'