

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



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Pay "AYY" Federal Com #1
660 FNL & 330 FWL
11-8S-26E

The Pay "AYY" Federal Com #1 needs to be at an unorthodox location for two reasons. The first reason is that the topography influences the location. Any location to the east of our proposed well would be in a drainage ravine. The second more important reason is that the Silurian-Devonian dolomite thins toward the east. Looking at the gross thickness of the Silurian-Devonian Plat, the deep wells that have penetrations into the dolomite to the northwest and southwest have thicker sections of dolomite. These wells are: the Horn #1 at 220', the Horn #2 at 100+', the Jasper #3 at 130+', and the Percentage #1 at 74'. The Railroad State #2 which is north-northeast of our Pay #1 location has already thinned to 30' in the dolomite from the Percentage well which is 74'. The Railroad State #2 further emphasizes that moving a location farther east of our proposed location increases the risks of encountering zero dolomite.

Yates Petroleum Corporation feels that any location to the east of our Pay #1 location would jeopardize our chances of encountering a thicker dolomite reservoir and would inadequately prevent us from stopping the Railroad State #2 from draining our lease of reserves in the Silurian-Devonian dolomite.

H. Tim Miller
Geologist

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12832 Exhibit No. 14
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: March 7, 2002