

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

VD	TP
PT	DBK
GG	DB
EW	DF
PR	LRRT
File	

YATES PETROLEUM CORPORATION
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

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 CATHACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	2
FILE NO.	9900

Santa Fe Energy Operating Partners, L.P.

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
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.

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

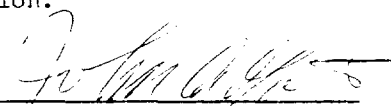
By: 
Patrick J. Tower, Senior Landman

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

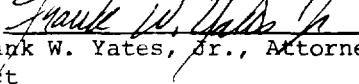
Date: March 27, 1990

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

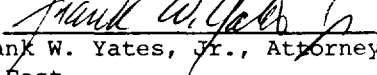
Date: March 27, 1990

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.

**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

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.

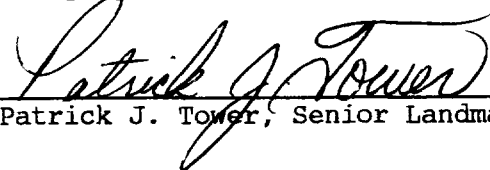
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Sincerely yours,

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

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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 500
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.

**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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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
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 

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 <i>[Signature]</i>	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>UNORTHODOX LOC.</i> P. O. Box 460 Hobbs, New Mexico 88240 Attn: Vann Peters	4. Article Number P 087 304 338
5. Signature - Address X <i>[Signature]</i>	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

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>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 <i>[Signature]</i>	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>[Signature]</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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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

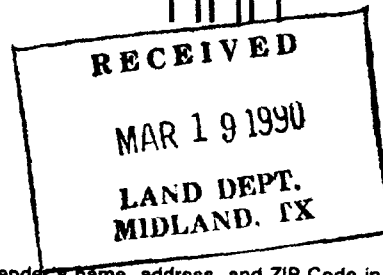
Midland, Texas 79701

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS



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PENALTY FOR PRIVATE
USE, \$300

RETURN
TO



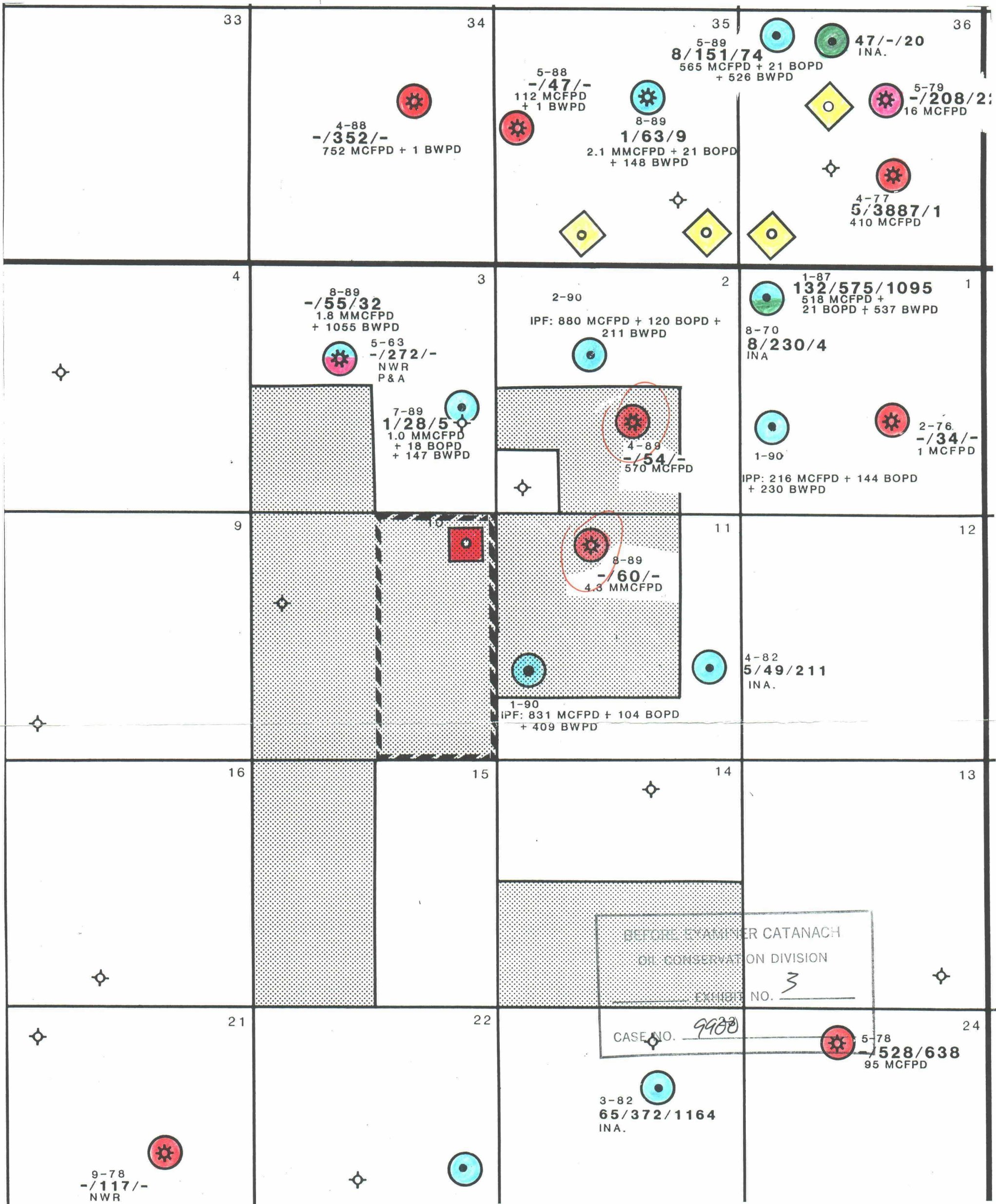
Print Sender's name, address, and ZIP Code in the space below.

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

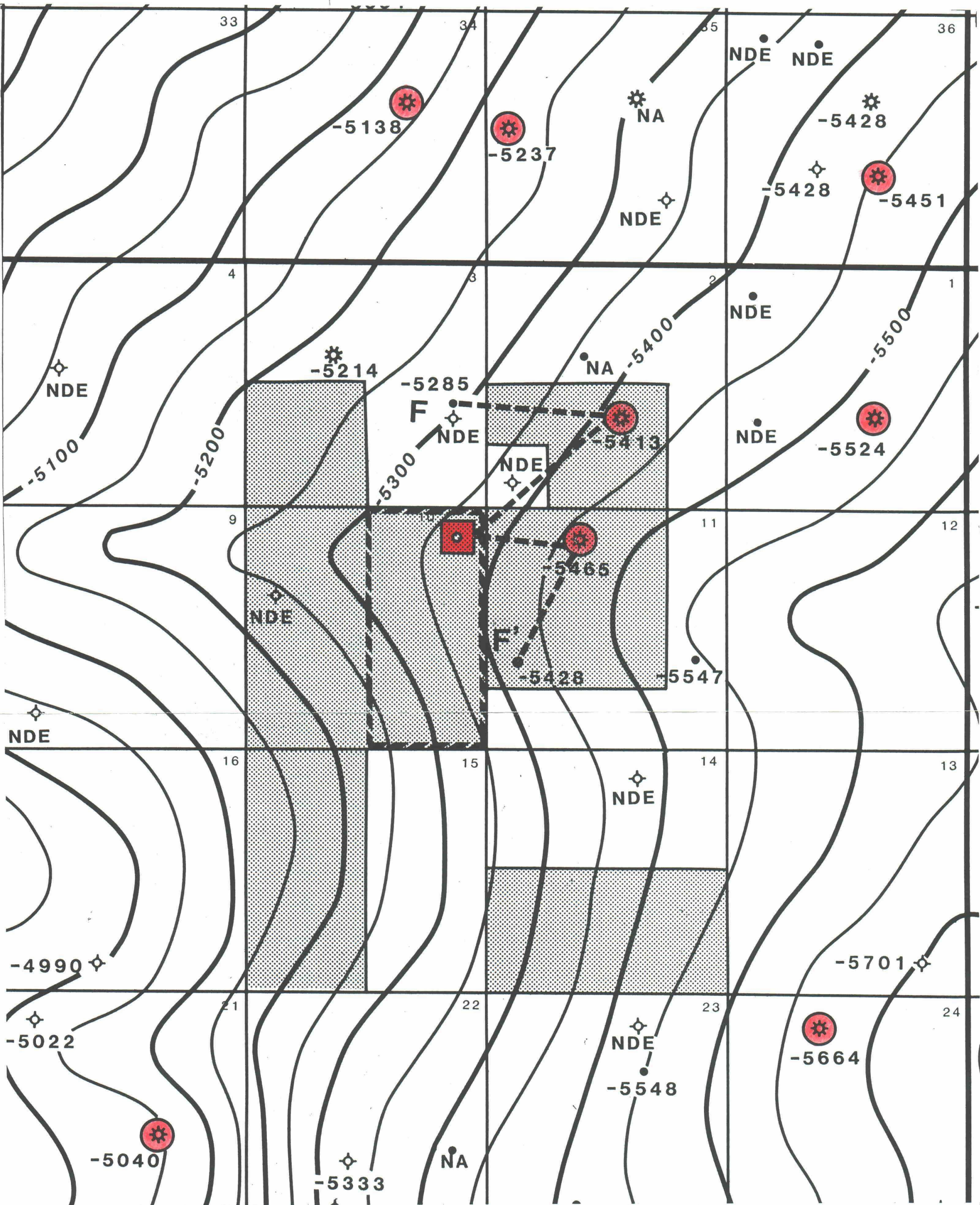
SANTA FE ENERGY OPERATING PARTNERS, L.P.
PERMIAN BASIN DISTRICT
MIDLAND, TEXAS

Carlsbad Area
DAGGER DRAW PROSPECT
Eddy County, New Mexico

PRODUCTION PLAT

GEOL.B Insalaco
SCALE 1"=2000'

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



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

EXAMINER CATANACH
 CASE NO. 9900



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

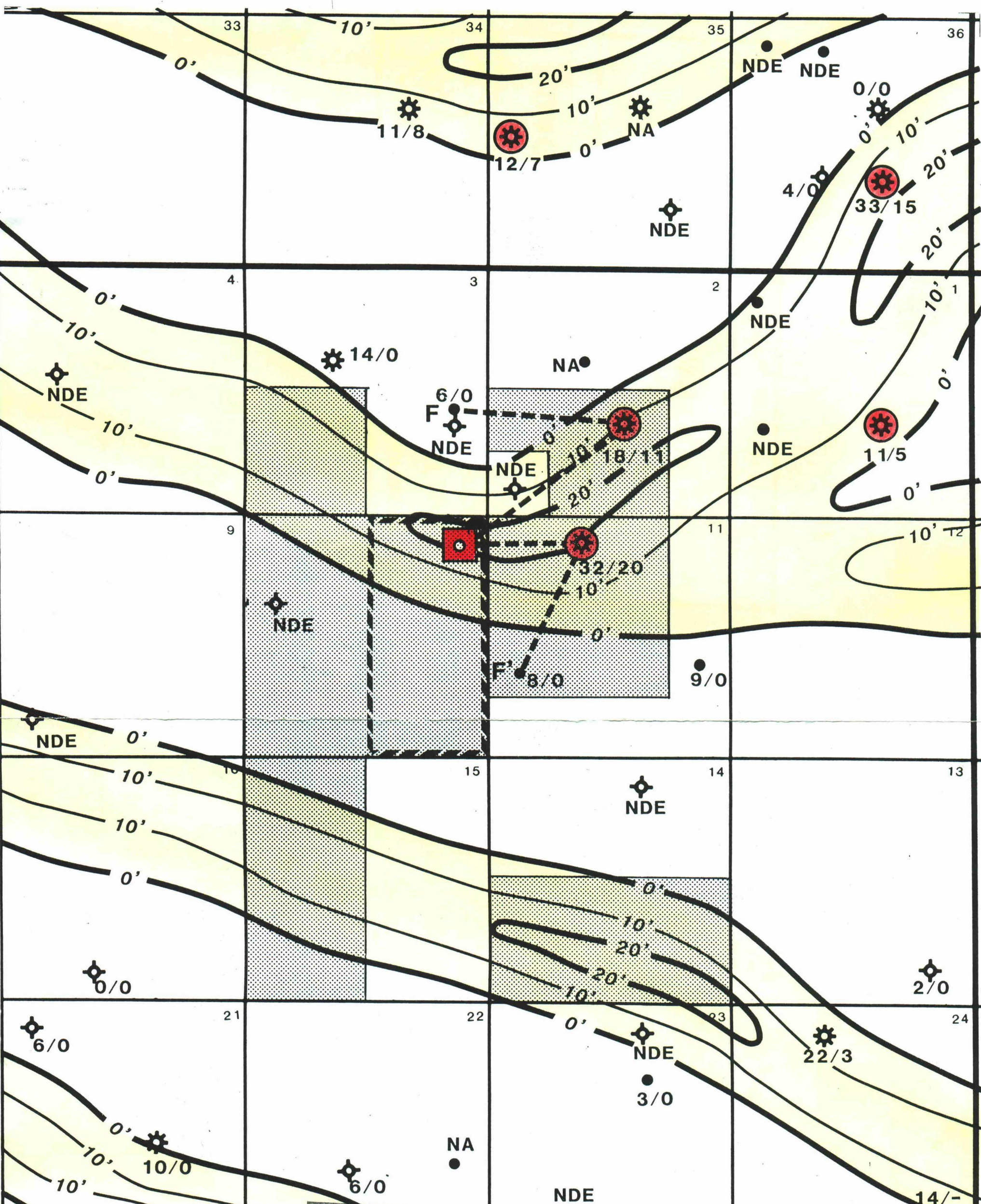
Carlsbad Area
DAGGER DRAW PROSPECT
 Eddy County, New Mexico


**STRUCTURE TOP OF MORROW
 CLASTIC MARKER**


GEOL. B Insalaco
 SCALE 1"=2000'


C.I. 50'


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



**SFEOP, LP ACREAGE**

**PROPOSED LOCATION**


**PROPOSED SPACING UNIT**

**FIRST UPPER MORROW SAND PRODUCER**

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 5

CASE NO. 9900

**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'