105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

September 13, 1990

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
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EXECUTIVE VICE PRESIDEN

PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY

Case 10131

Re: Non-standard location

John "AGU" #2

660' FNL & 660' FEL

Township 20 South, Range 24 East

Section 14

Eddy County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation requests administrative approval for the above captioned location as provided for under NMOCD Rule 104 F. This will be an 8100' oil well in the South Dagger Draw - Upper Pennsylvanian Associated Pool with a 320.00 acreage spacing and proration unit. Yates is the owner or operator of all the surrounding lands except for Fina, which has a .7% intent in the same proration unit and has been sent an Authority for Expenditure to join in on the well test and will be receiving a copy of this letter with the waiver form.

I have enclosed a copy of the Form C-102 or plat of the well and a lease map to show offset acreage. We ask for your administrative approval for this well in South Dagger zone and should you need anything further, please call me.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Ken Beardemphl

Landman

KB:blf Enclosures

CC: Oil Conservation Division, Artesia

Attn: Mr. Mike Williams

Fina Oil & Chemical Company Attn: Mr. Kevin Phister

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NET MEXICO O'L CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION LAT

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



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DENNIS G. KINSEY
TREASURER

September 13, 1990

Fina Oil & Chemical Company Six Desta Drive Suite 4400 Midland, Texas 79705

Attention: Mr. Kevin Phister

Re: Non-Standard Location for

John "AGU" #2

660' FNL & 660' FEL

Township 20 South, Range 24 East

Section 14

Eddy 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 Ken Beardemphl, and one (1) copy to Mr. William LeMay, New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed unorthodox location listed above. A xerox copy of a letter to Mr. William LeMay is attached to tell you of our intentions.

We respectfully ask for your expeditious return of this waiver, as we have to be drilling across

WAIVER

As an offset operator, Fina Oil & Chemical Company, has no objections to the unorthodox location for the well listed above.

| Signature | ····· | |
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| Title | | |
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