

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

May 2, 1988

S. P. YATES
CHAIRMAN OF THE BOARD
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SECRETARY
DENNIS G. KINSEY
TREASURER

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

ATTENTION: Mr. William LeMay

RE: Lazy Tree State Unit #1
660' FNL and 660' FEL of
Section 12-T13S-R32E
Lea County, New Mexico

*Please set
for hearing
Case 9345*

Gentlemen:

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

On November 11, 1987, we filed an Application for Permit to Drill the captioned well with the New Mexico Oil Conservation Division in Hobbs, New Mexico, as a 10500' Permo Penn (Bough) well. On January 21, 1988, we filed a Sundry Notice with the Oil Conservation Division asking for permission to change our total depth to 11600' Mississippian. This was approved on January 29, 1988. We also received a letter signed by Mr. Jerry Sexton telling us that if the well was completed as a gas well in the Morrow or Mississippian, it would be unorthodox. This well has been completed in the Morrow formation from 11478-11483', therefore it is an unorthodox location.

Enclosed please find a copy of the lease map showing the area, a topographic map of the area and a survey plat.

We respectfully ask for your expeditious approval of this application, as this well is completed and ready for production.

If you have any questions concerning this matter, please do not hesitate to contact me.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Colbert
Kathy H. Colbert
Landman

KHC:rj

Enclosures

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator YATES PETROLEUM CORPORATION			Lease LAZY TREE STATE UNIT		Well No. 1
Unit Letter A	Section 12	Township 13S	Range 32E	County LEA	

Actual Footage Location of Well:

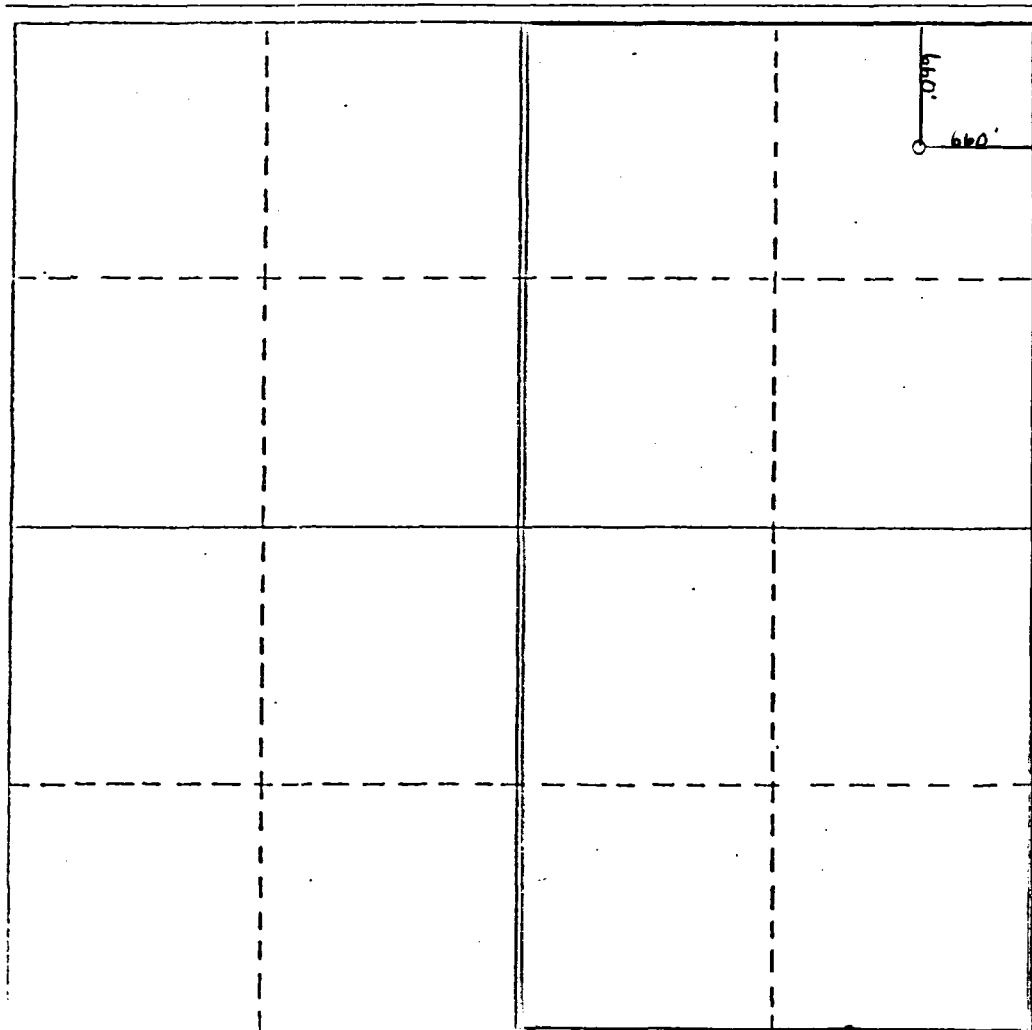
660 feet from the North line and 660 feet from the East line	
Ground Level Elev. 4305.8'	Producing Formation Mississippian
Pool Baum Upper Penn	Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Rusty Jernigan
Name
Rusty Jernigan

Position
Regulatory Secretary

Company
Yates Petroleum Corporation

Date
January 21, 1988

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.

REFER TO ORIGINAL PLAT

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

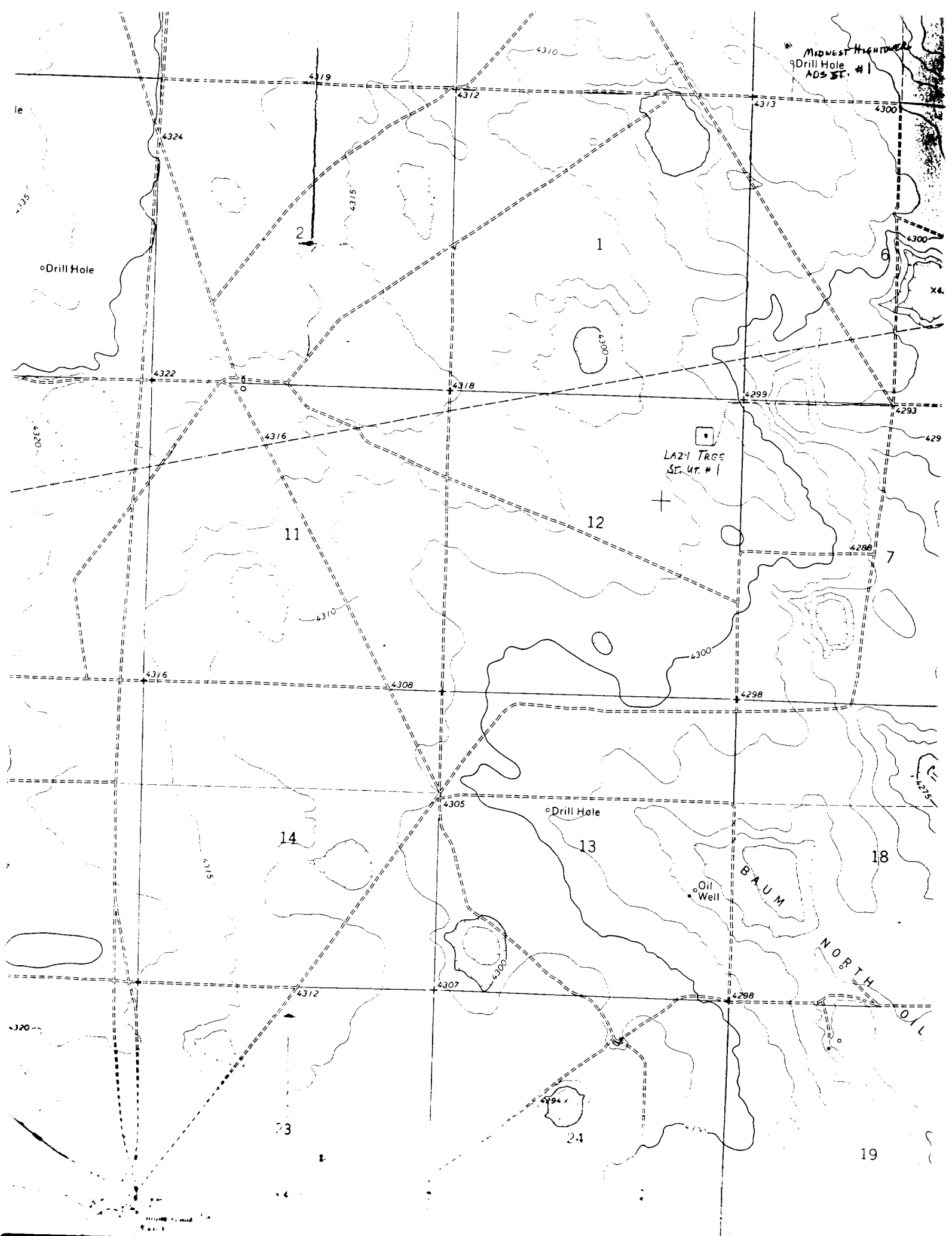
Certificate No.

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

The map displays a comprehensive survey of land in Texas, organized into a grid. Each section is labeled with the following information:

- Section Number:** Indicated by letters A-Z across the top and numbers 1-36 down the right side.
- Owner/Company:** Names of landowners or companies, such as Phillips, Yates, Conoco, Amoco, and others.
- Acreage:** The size of the land section in acres, often followed by a fraction (e.g., 12.1-89, 15.5-84).
- Survey Details:** References to specific surveys, maps, and legal descriptions.
- Geographical Features:** Labels for rivers, lakes, and other natural features.

The map is a technical document used for land management, surveying, and legal purposes. It provides a detailed view of land ownership and boundaries across the state of Texas.



May 11, 1988

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 9395

Re: Lazy Tree State Unit No. 1 Well
Township 13 South, Range 32 East, NMPM
Section 12: E/2
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an Unorthodox Well Location, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner on June 8, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Ms. Kathy Colbert

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

RECEIVED

MAY 1 1951

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR AN UNORTHODOX WELL LOCATION, :
LEA COUNTY, NEW MEXICO :
:

CASE NO. 9375

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Lea County, New Mexico:

Township 13 South, Range 32 East, N.M.P.M.

Section 12: E/2

containing 320 acres, more or less,
and has drilled its Lazy Tree State Unit No. 1 Well, at a point located 660 feet from the north line and 660 feet from the east line of said Section 12 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit completion of the well at the above mentioned unorthodox

location for all formations from the surface to the base of the Mississippian formation, which may be developed on 320-acre spacing.

3. A standard 320-acre proration unit comprising the E/2 of said Section 12 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

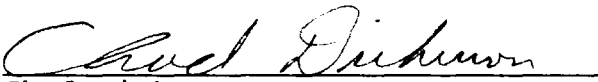
WHEREFORE, Applicant prays:

A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting Applicant permission to complete its Lazy Tree State Unit No. 1 Well at a point 660 feet from the north line and 660 feet from the east line of said Section 12, and to dedicate the E/2 of Section 12 to said well for production from all formations which may be developed on 320-acre spacing.

C. And for such other and further relief as may be
just in the premises.

YATES PETROLEUM CORPORATION

By: 
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant