

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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

O. C. D.

ARTESIA OFFICE

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

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

Re: Non-standard location  
Spanish Dagger "AID" Com. #1  
660' FSL & 725' FWL  
Township 20 South, Range 24 East  
Section 12  
Eddy County, New Mexico

Dear Mr. Stogner:

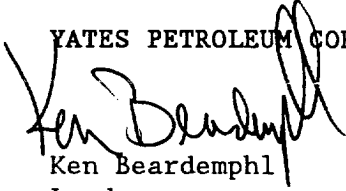
Yates Petroleum Corporation requests administrative approval for the above captioned location as provided for under NMOCD Rule 104 F. This will be an 8100' oil well in the South Dagger - Upper Pennsylvanian Associated Pool with a 320.00 acreage spacing and proration unit. Yates is the only owner or operator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

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 Draw 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

NEW MEXICO OIL CONSERVATION COMMISSION  
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
 Supersedes C-128  
 Effective 1-1-65

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

Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>Spanish Dagger AID Com</b>		Well No. <b>1</b>
Unit Letter <b>M</b>	Section <b>12</b>	Township <b>20 South</b>	Range <b>24 East</b>	County <b>Eddy County, N.M.</b>

Actual Footage Location of Well:

**725** feet from the **West** line and **660** feet from the **South** line

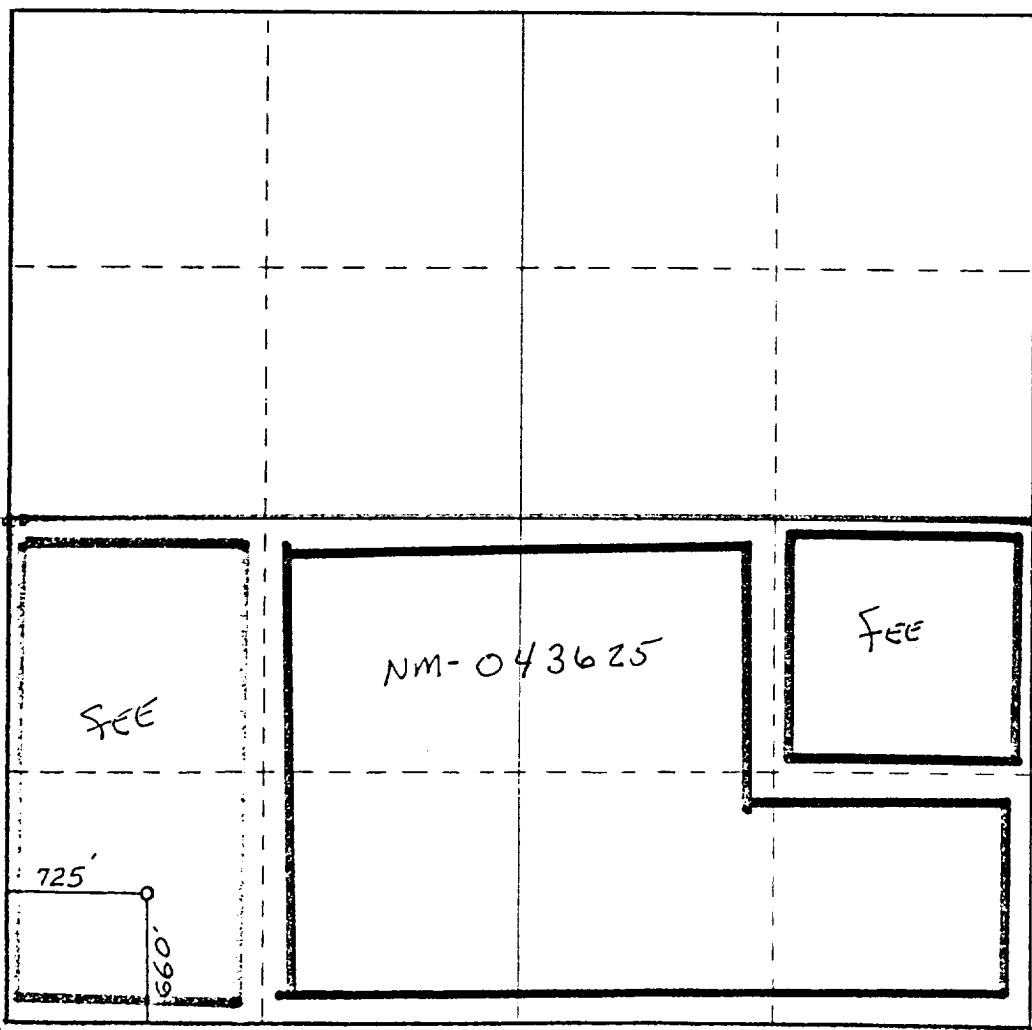
Ground Level Elev. <b>3602.</b>	Producing Formation <b>Cisco Canyon</b>	Pool <b>Assoc. South Dagger Draw Upper Lens</b>	Dedicated Acreage: <b>320</b> Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Communitization

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 Commission.



CERTIFICATION

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

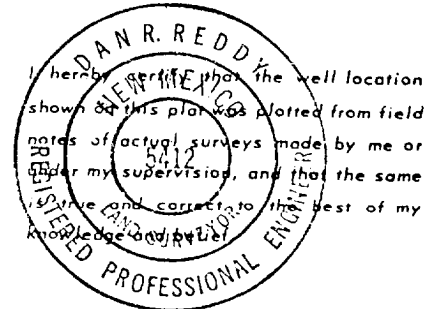
*Ken Beardemphl*

Name  
**KEN BEARDEMPHL**

Position  
**LANDMAN**

Company  
**Yates Pet. Corp.**

Date  
**9-5-90**

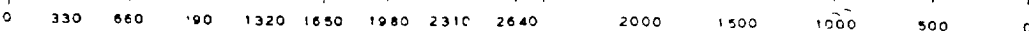


Date Surveyed  
**September 4, 1990**

Registered Professional Engineer  
 and/or Land Surveyor

*Dan R. Reddy*

Certificate No.  
**NM PE&PS NO. 5412**





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September 13, 1990

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TREASURER

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

Attention: Mr. Kevin Phister

Re: Non-Standard Location for  
Spanish Dagger "AID" Com. #1  
660' FSL & 725' FWL  
Township 20 South, Range 24 East  
Section 12  
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

W A I V E R

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date