

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



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August 28, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

CERTIFIED MAIL
Return Receipt Requested

RE: Application for Unorthodox Location
Papalotes Unit No. 1
Undesignated Atoka Gas Pool
Township 14 South, Range 34 East
Section 34: E/2
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Atoka gas well, the Papalotes Unit No. 1. The well is located on State of New Mexico minerals at a location of 1960' FSL and 330' FEL of Section 34, T14S-R34E, Lea County, New Mexico.

The initial plans were to drill and complete the well as a Strawn oil well at the above location which is orthodox, however, the well was dry in the Strawn. The well was then deepened to 13,660' (top of Chester) and subsequently completed as an Atoka gas producer with the location now being unorthodox for the Atoka gas well completion.

Enclosed are original Forms C-101, C-102, C-105 and a land plat showing all offset operators. Also is an amended C-102 revising dedication of well to 320 acres.

Notification to the offset operators was made by certified mail on August 28, 1996, including a copy of this application letter with all attachments. We request that this unorthodox location be administratively approved in no objections are received within the cited twenty (20) days or earlier if waivers are received.

Yates Petroleum Corporation believes approval of the unorthodox Papalotes Unit No. 1 well will be in the best interest of conservation, will protect correlative rights and will allow for the most complete recovery of gas-in-place.

Thank you for your assistance. Please call me at (505)748-4351 if you need further information.

Very truly yours,

YATES PETROLEUM CORPORATION


Robert Bullock
Landman

RB:bn
enclosure(s)