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S. P. YATES
PRESIDENT
MARTIN YATES, III
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VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

October 25, 1984

Mr. Joe Ramey, Secretary Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Kochia "AAM" State #1
990' FSL and 2310' FEL
Section 35-T15S-R36E
Lea County, New Mexico

Dear Mr. Ramey:

Yates Petroleum Corporation would appreciate an administrative approval for a proposed unorthodox Devonian oil well location as provided for under NMOCD Rule 104F. This well is presently being drilled to a depth of 11,700' into the Strawn formation. TD in the Devonian will be approximately 13,750'. Verbal approval was given Yates to continue drilling to the Devonian by Mr. Mike Stogner of NMOCD 10/23/84.

We would like this unorthodox location approved for geologic reasons. Information will be sent to you under a different cover immediately.

Enclosed is a copy of the lease map showing the offset operators. The offsetting operators (Atlantic Richfield) have been notified of our intentions by certified mail, via a xerox copy of this letter.

Thank you for your help in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

Cy Cowan
Regulatory Agent

CC/ps
Enclosure

xc: Atlantic Richfield