



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

August 8, 1985

50 YEARS



1935 - 1985

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Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

Gentlemen:

Inasmuch as Division Order No. R-7777, which approved the unorthodox location for your Hot Toddy ABQ State Well No. 1 located in Unit G of Section 18, T-16-S, R-34-E, specified the Atoka and Morrow formations, it will be necessary for you to reapply for approval of the unorthodox location for the Permo-Pennsylvanian formation in which the well has been completed.

Form C-104 will be held without approval and no allowable can be assigned for the well until this approval has been obtained.

We might also point out that the perforations in the well do not fall within the vertical limits of the Kemnitz Lower Wolfcamp Pool and the well will, therefore, be considered as a wildcat and a new pool for the upper Wolfcamp formation will have to be created.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

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