



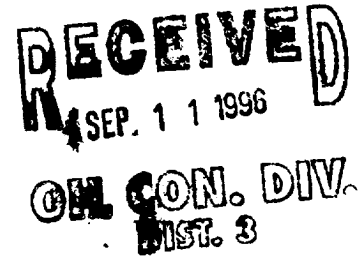
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 9, 1996

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Robert Bullock



RE: *Administrative application for a non-standard 80-acre oil spacing and proration unit within the Undesignated West Lovington-Strawn Pool to comprise Lots 10 and 11 of Irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.*

Dear Mr. Bullock:

The subject application dated September 3, 1996 cannot be approved administratively. **Rule 2** of the "*Special Rules and Regulations for the West Lovington-Strawn Pool*", as promulgated by Division Order No. R-9722, as amended, describes a standard 80-acre unit for said pool to consist of the N/2, S/2, E/2, or W/2 of a governmental quarter section and since the necessity for the creation of the subject unit does not necessarily fit the requirements of **Rule 3** of said special pool rules, the subject application will be considered only after notice and hearing. Should Yates wish to pursue this matter further please refile accordingly.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185 or through the e-mail at:

"MIKSTOGNER@EMNRDSF.STATE.NM.US."

Thank you for your cooperation.

Sincerely,

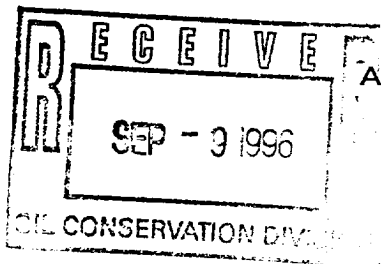
Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe

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



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



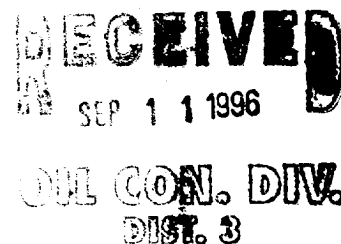
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

September 3, 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 Non-Standard Spacing Unit
Field APK State #1
West Lovington Strawn Oil Pool
Township 16 South, Range 35 East, NMPM
Section 2: Lots 10 and 11
Lea County, New Mexico



Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for a non-standard spacing unit for an orthodox Strawn oil well, the Field APK State #1. This well is staked on State of New Mexico minerals at a location 1880' FEL and 3500' FNL of Section 2, T16S-R35E. The acreage dedicated to the well are Lot 10 and 11.

This well is located in the West Lovington Strawn oil pool which requires 80 acre well dedication. Lots 10 and 11 is the only contiguous 80 acre tract Yates owns in Section 2. It is Yate's desire to drill and operate a 100% Yate's owned well and to do so requires dedication of Lots 10 and 11.

Notification to the offset operators in the N/2 of Section 2 has been made by certified mail on September 3, 1996, including a copy of this application letter with all attachments. We request that this non-standard spacing unit be administratively approved if no objections are received within the cited 20 days, or earlier if waivers are received.

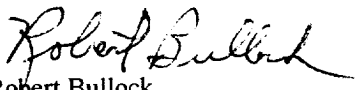
Enclosed are Forms C-101 and C-102, a land plat showing all offset operators and a list of the offset operators.

Yates Petroleum Corporation believes approval of the non-standard spacing unit for the Field APK St. #1 would be in the best interest of conservation and would protect correlative rights for all concerned.

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:tnr
Enclosure(s)

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1912 - 1985
FRANK W. YATES
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List of
Offset Operators

UMC Petroleum Corporation
410 Building 410 17th Street, Suite 1400
Denver, Colorado 80202

Mobil Exploration & Producing U. S., Inc.
12450 Greenpoint Drive
Houston, TX 77060-1991

Michael Shearn Oil Properties
4120 Rio Bravo, Suite 305
El Paso, TX 79902-1012

Amerind Oil Company, LTD
415 W. Wall Street, Suite 500
Midland, TX 79701-4467

COPY

Rob

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30 - 0
⁴ Property Code	⁵ Property Name Field APK State	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 10	2	16S	35E		3500	North	1880	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 West Lovington Strawn					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code 0	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3990'
¹⁶ Multiple No	¹⁷ Proposed Depth 11900'	¹⁸ Formation Strawn	¹⁹ Contractor Undesignated	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	11 3/4"	42#	450'	550 sx	Circulate
11"	8 5/8"	32#	4950'	1050 sx	Circulate
7 7/8"	5 1/2"	15.5# & 17#	TD	1350 sx	Approx. 7100'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Plan to drill and test the Strawn and intermediate formation. Approx. 450' of surface casing will be set and cement circulated to surface. Approx. 4950' of intermediate casing will be set and cement circulated. If commercial production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW Gel, Paper, LCM spud to 450'; Brine to 4950'; Cut brine, starch to 9600'; Salt Gel starch to TD.

BOPE PROGRAM: BOPE will be installed on the 11 3/4" casing and tested daily for operational.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Clifton R. May*
Printed name: Clifton R. May
Title: Regulatory Agent
Date: 8-26-96
Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:
Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name WEST LOVINGTON STRAWN
Property Code	Property Name FIELD "APK" STATE		Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3990

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 10	2	16S	35E		3500	NORTH	1880	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

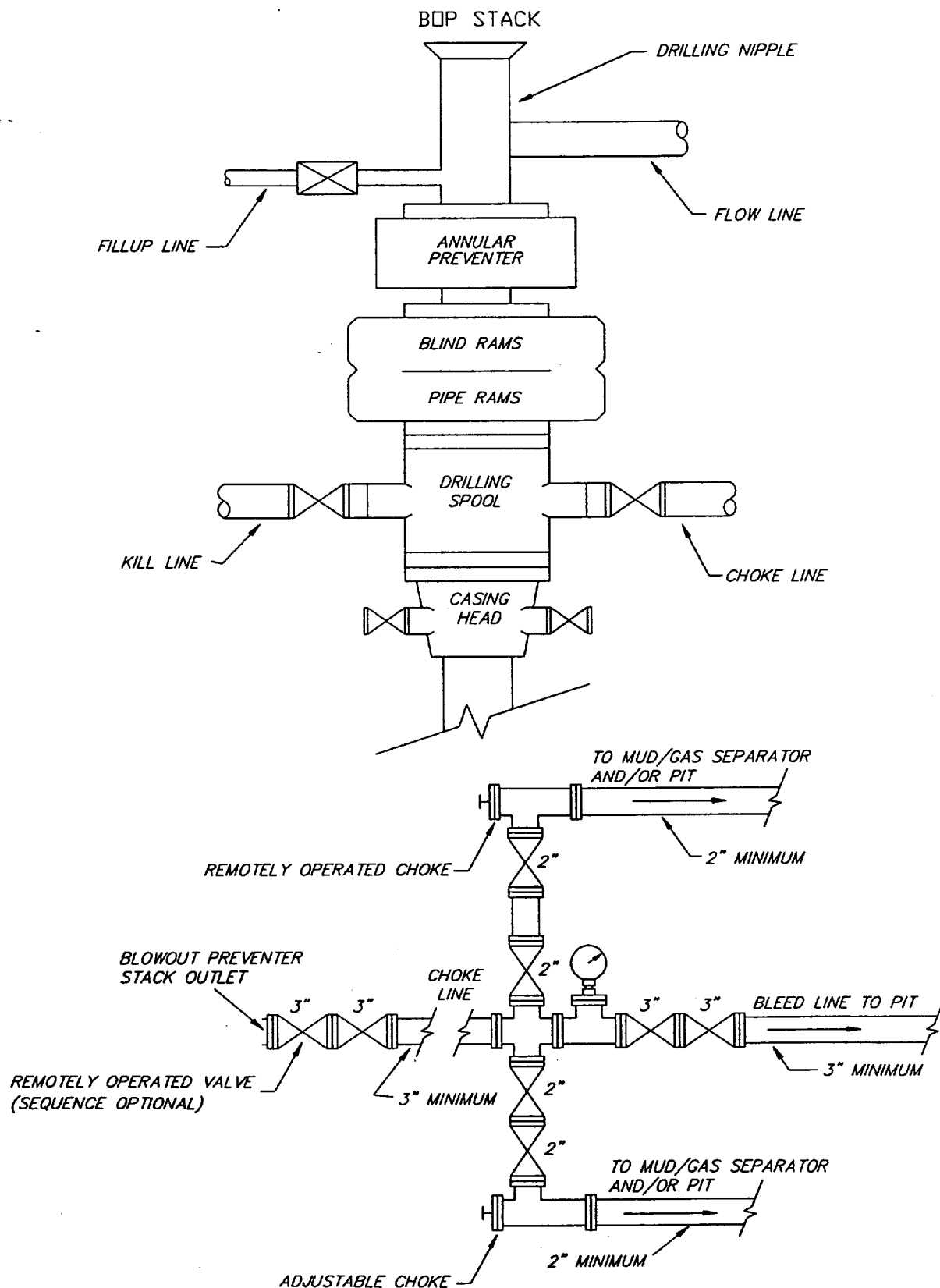
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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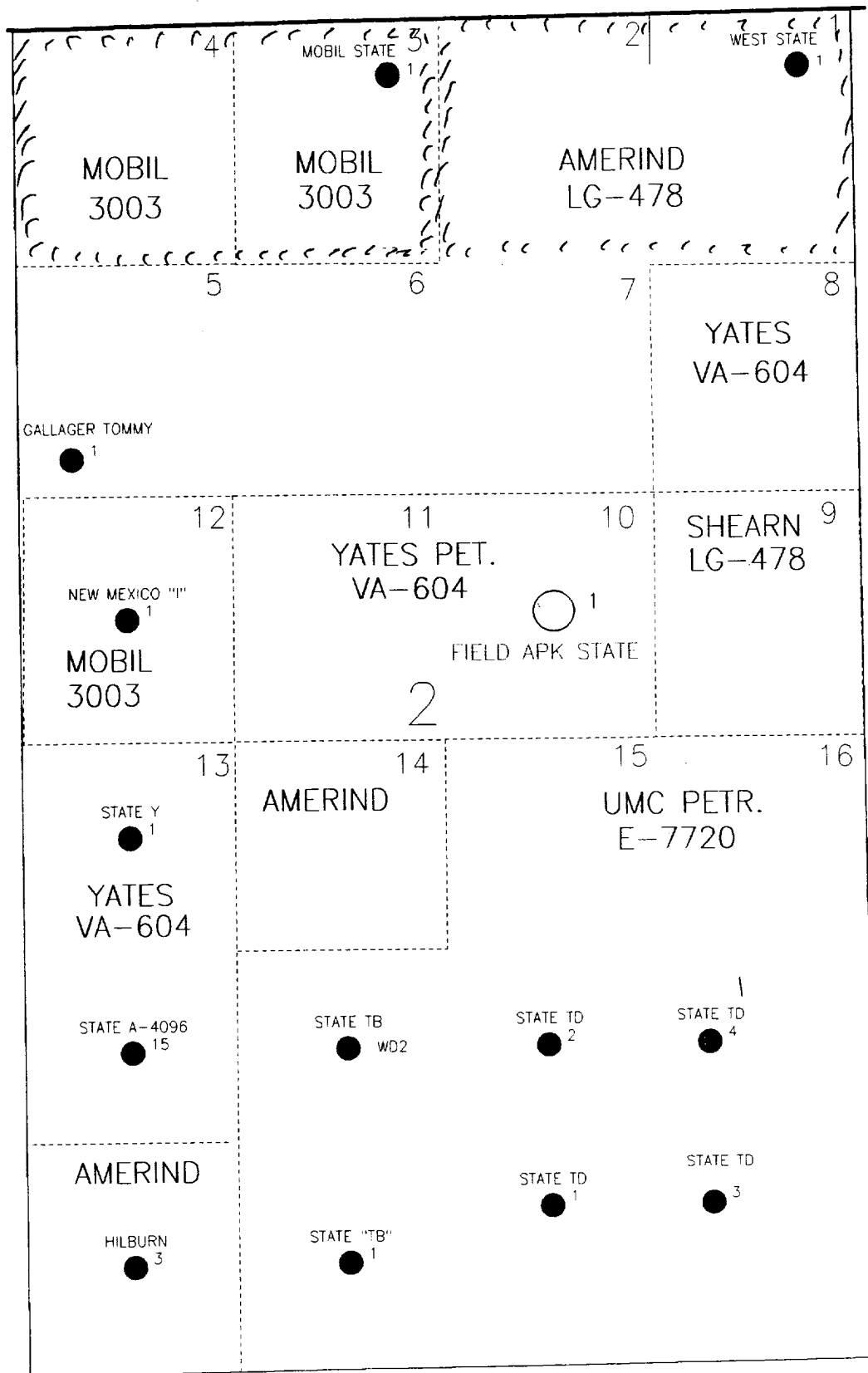
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	LOT 4	LOT 3	LOT 2	LOT 1	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i></p> <p>Signature Clifton R. May</p> <p>Printed Name Regulatory Agent</p> <p>Title 8-26-96</p> <p>Date</p>
	LOT 5	LOT 6	LOT 7	LOT 8	
	LOT 12	LOT 11	LOT 10	LOT 9	<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>8/25/96 L. JONES</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor.</p> <p>NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 3640</p> <p>Certificate Number 3640</p>

YATES PETROLEUM CORPORATION

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC





Yates Petroleum Corporation		
FIELD APK STATE #1		
SEC. 2, T16S-R35E		
1880' FEL 3500' FNL LEA CO., NM		
LAND : R. BALLOCK		8/26/96
DRAWN : JF	Scale 1:12000	JLAPMST1.DPT

