

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-139
Originated 11/1/95

Submit Original
Plus 2 Copies
to appropriate
District Office

APPLICATION FOR
QUALIFICATION OF PRODUCTION RESTORATION PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Yates Petroleum Corporation OGRID #: 25575
Address: 105 South 4th Street Artesia, NM 88210
Contact Party: Bob Fant Phone: 505-748-1471
- II. Name of Well: Rio Penasco KD Com #3 API #: 30-015-23801
Location of Well:
Unit Letter A, 990 Feet from the North line and 660 feet from the East line, Section 11,
Township 19S, Range 25E, NMPM, Eddy County
- III. Previous Producing Pool Name: Dagger Draw Upper Penn, North
- IV. Describe the process used to return the Well to production. (Attach additional information if necessary):
Please refer to attached Sundry Notice.
- V. Date the Production Restoration Project was commenced: 6/4/96
Date the Well was returned to production: 6/10/96
- VI. Identify the Oil Conservation Division records which show the Well had thirty (30) days or less production between January 1, 1993 and December 31, 1994:
[] Ongard inactive well list; or [X] OCD Form C-115 (Operator's Monthly Report)

VII. AFFIDAVIT:

State of New Mexico)
County of Eddy) ss.

Bob Fant, being first duly sworn, upon oath states:

- I am the Operator or authorized representative of the Operator of the above referenced Well.
- I have personal knowledge of the facts contained in this Application for Qualification of a Production Restoration Project.
- The data utilized to prepare this application is complete and correct.

Robert G Fant
(Name) Bob Fant

(Title) Engineer

RECEIVED

JUN 14 1996

OIL CON. DIV.

DIST. 2

SUBSCRIBED AND SWORN TO before me this 12th day of June, 19 96


Notary Public

My Commission expires: 12-5-99

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of a Production Restoration Project is hereby approved and the above referenced Well is designated as a Production Restoration Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that production was restored in this Production Restoration Project on:

_____, 19__.

District Supervisor, District ____
Oil Conservation Division

Date: _____

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.
DATE: _____

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-23801

5. Indicate Type of Lease STATE [] FEE [X]

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Rio Penasco KD Com

8. Well No.

3

9. Pool name or Wildcat

Dagger Draw Upper Penn, North

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE 'APPLICATION FOR PERMIT' (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER

2. Name of Operator YATES PETROLEUM CORPORATION

3. Address of Operator 105 South 4th St., Artesia, NM 88210

4. Well Location Unit Letter A : 990 Feet From The North Line and 660 Feet From The East Line

Section 11 Township 19S Range 25E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3416' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] REMEDIAL WORK [] ALTERING CASING []
TEMPORARILY ABANDON [] CHANGE PLANS [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
PULL OR ALTER CASING [] CASING TEST AND CEMENT JOB []
OTHER: [] OTHER: Add perforations & acidize [X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

6-4-96 - Moved in and rigged up pulling unit. Loaded annulus with 2% KCL water. Tested annulus to 500 psi for 6 minutes. Nippled down wellhead and installed BOP. Unset packer at 7506'. Dropped down and reversed 6' of fill off of RBP at 7695'. Unset RBP. TOOH with tubing, packer and RBP. TIH with 2-3/8" tubing to 7801'.
6-5-96 - Spot 250 gallons of 20% double inhibited NEFE acid at 7801'. TOOH with tubing. Rigged up wireline. TIH with 4" casing guns and perforated 7778-7796' w/10 .42" holes as follows: 7778, 80, 82, 84, 86, 88, 90, 92, 94 & 7796' (1 SPF). TOOH with casing guns and rigged down wireline. TIH with packer and 2-3/8" tubing. Reversed 5 bbls and set packer at 7700'. Pumped 10 bbls into perforations 7778-7796'. Swabbing.
6-6-96 - Swabbed. Shut well in.
6-7-96 - Acidized perforations 7778-7796' with 5000 gallons 20% NEFE acid and ball sealers. Swabbing.
6-8-10-96 - Loaded tubing with 2% KCL water. Unset packer. TOOH with tubing and packer. Released well to production department.

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

SIGNATURE [Signature] TITLE Operations Technician DATE June 10, 1996

TYPE OR PRINT NAME Rusby Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: