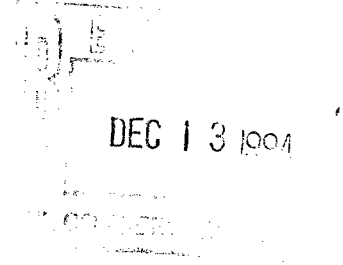


a. Operator's name and address:

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



b. Description of the project area including:

(1) A plat outlining the project area is attached.

(2) Description of project area:

Township 20 South, Range 24 East, N.M.P.M.

E/2 SW/4      Section 14  
SE/4            Section 14

NE/4            Section 23  
E/2 NW/4      Section 23  
NE/4 SW/4     Section 23  
N/2 SE/4       Section 23

(3) Total acres:

600 acres

(4) Name of subject pool and formation:

a. South Dagger Draw-Upper Pennsylvanian Associated Pool

b. Canyon formation.

c. Status of operations in project area:

<u>Lease Name</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Legal Description</u>
NM-42787-A	USA	Santa Fe Energy Oper Yates Petroleum Corp	E/2 SW/4 Sec 14 T20S R24E
NM-86241	USA	ABO Petroleum Corp MYCO Industries Yates Drilling Co Yates Petroleum Corp	NE/4 N/2 SE/4 Sec 23 T20S 24E NE/4 SW/4 Sec 23 T20S R24E

<u>Lease Name</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Legal Description</u>
NM-045274	USA	Santa Fe Energy Oper Yates Petroleum Corp	E/2 SE/4 Sec 14 T20S R24E
NM-043625	USA	ABO Petroleum Corp MYCO Industries Yates Drilling Co Yates Petroleum Corp.	E2 NW/4 Sec 23-T20S R24E W/2 SE/4 Sec 14 T20S R24E

d. Method of recovery to be used:

- (1) Injection Fluids: water
- (2) The application for approval of this project was filed with the Division on Form C-108 on November 21, 1994.

e. Description of project:

(1) List of producing wells:

Hillview AHE Fed Com #4  
1980' FSL & 1980' FEL (Unit J) Section 23;

Hillview AHE Fed Com #5  
660' FNL & 660' FEL (Unit A) Section 23;

Hillview AHE Fed Com #8  
660' FSL & 660' FEL (Unit P) Section 14;

Hillview AHE Fed Com #10  
1730' FNL & 660' FEL (Unit H) Section 23;

Hillview AHE Fed Com #11  
1830' FSL & 1980' FWL (Unit K) Section 23;

Hillview AHE Fed Com #12  
1980' FNL & 660' FEL (Unit I) Section 23;

Hillview AHE Fed Com #13  
1980' FSL & 660' FEL (Unit I) Section 14;

Saguaro AGS Fed Com #4  
1980' FSL & 1980' FEL (Unit J) Section 14;

Saguaro AGS Fed Com #5  
1980' FNL & 1980' FWL (Unit F) Section 23;

Saguaro AGS Fed Com #9  
660' FNL & 1980' FWL (Unit C) Section 23;

Senita AIP Fed Com #1  
1925' FSL & 1980' FWL (Unit K) Section 14;

Senita AIP Fed Com #2  
660' FSL & 1980' FWL (Unit N) Section 14

(2) List of injection wells:

Hillview AHE Fed Com #2  
1650' FNL & 1780' FEL (Unit G) Section 23;

Hillview AHE Fed Com #6  
660' FNL & 1980' FEL (Unit B) Section 23;

Saguaro AGS Fed Com #8  
660' FSL K& 1980' FEL (Unit O) Section 14;

(3) Capital Cost of additional facilities

Facilities:	\$460,000
Well Work:	\$142,000

(4) Total projects costs: \$602,000

(5) Estimated total value of the additional production that will be recovered as a result of this project: 395,000 barrels over (8) eight years.

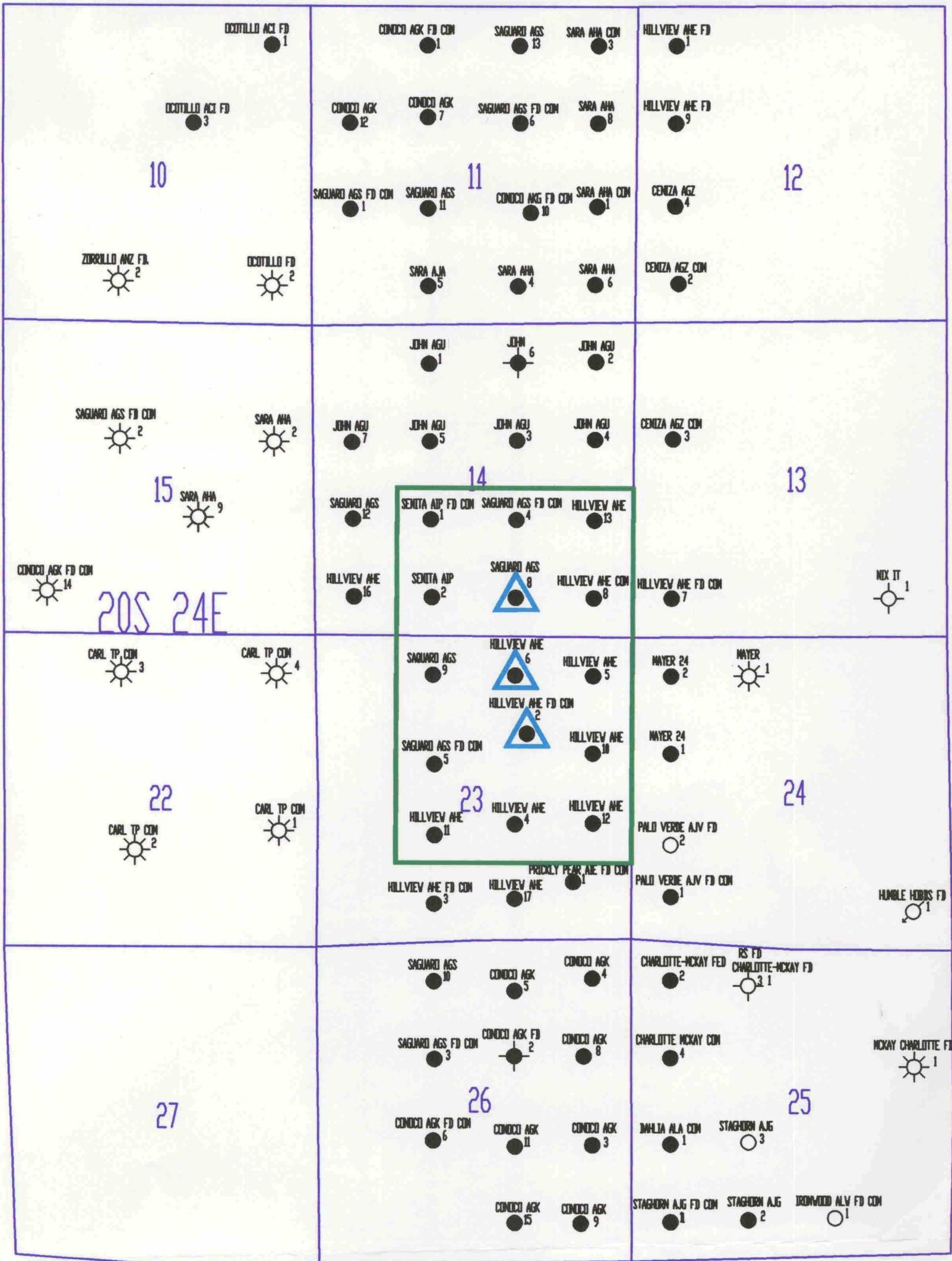
(6) Anticipated date for commencement of injection: March 1, 1995

(7) Type of fluid to be injected and anticipated volumes:

Water will be initially injected at a rate of 5,000 BWPD per injection well for a total initial rate of 15000 BWPD. The estimated total cumulative water to be injected during the life of the project is 16,000,000 barrels.

(8) This is not an application for an expansion of an existing project.

(f). Production data: See attached plots.



- PROJECT BOUNDARY
- PRODUCTION WELL
- ▲ INJECTION WELL



12/94 VM  
DRAFT\94025

**SOUTH DAGGER DRAW  
PRESSURE MAINTENANCE PROJECT  
EDDY CO., NEW MEXICO**

ENG: P. McWHORTER

SCALE: 1"=2000'

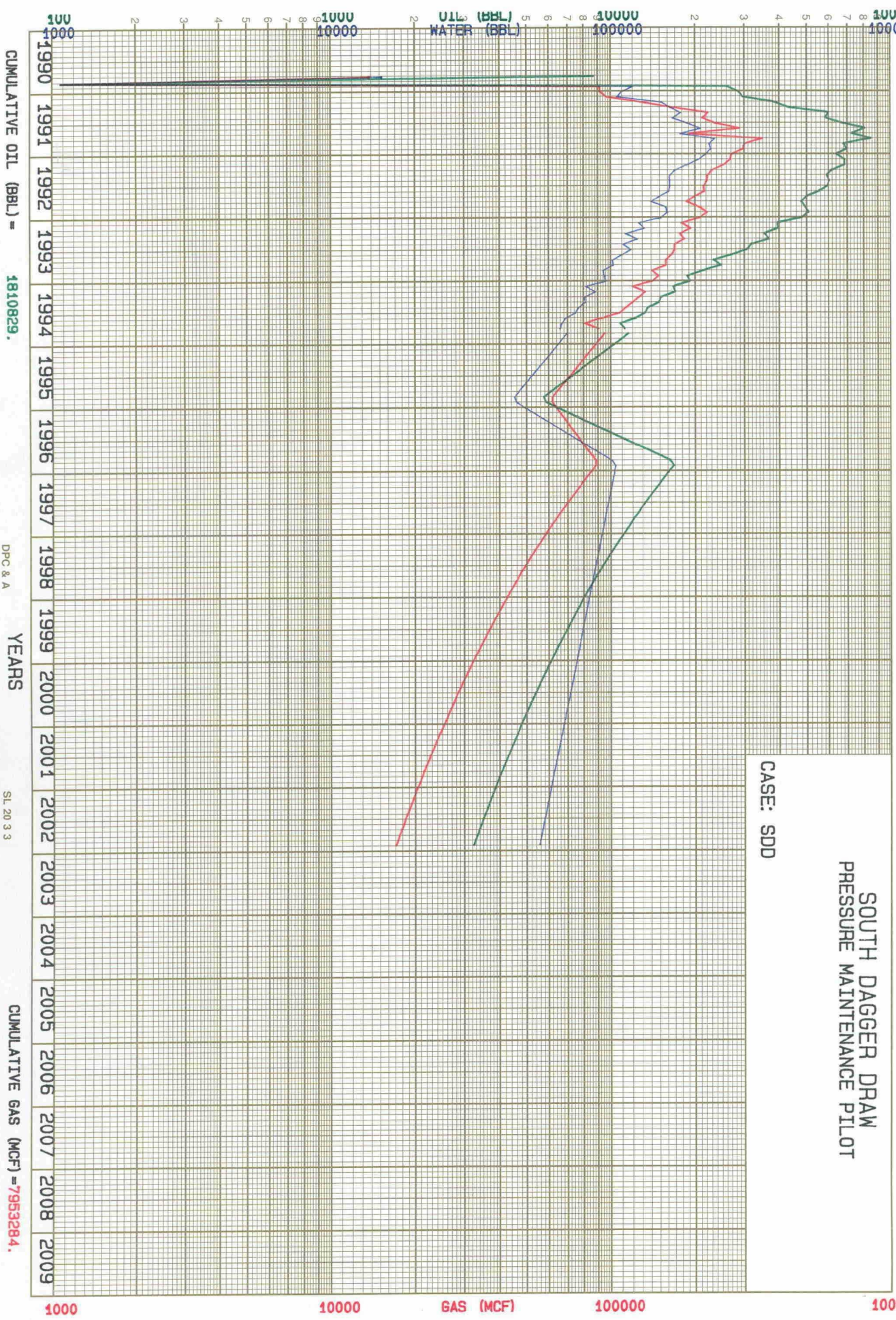
Date: 12/12/94  
Time: 10:48:31

# PRODUCTION HISTORY

File: DAGGER.DSF  
Get#: 16

SOUTH DAGGER DRAW  
PRESSURE MAINTENANCE PILOT

CASE: SDD



CUMULATIVE OIL (BBL) = 1810829.

DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF) = 7953284.