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

YATES PETROLEUM CORPORATION

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

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

September 11, 1992

Case 10620

State of New Mexico
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, NM 87501
ATTN: Mr. David Catanach

Dear Mr. Catanach:

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Pauline ALB St. #6 located in Unit J, of Sec. 32-T23S-R31E.

Should you have any questions, please feel free to contact me at (505) 748-1471 Ext. 182. Thank You.

Sincerely,

Brian Collins
Engineer

BC/th

YATES PETROLEUM CORPORATION

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

September 11, 1992

State of New Mexico
OIL CONSERVATION DIVISION
Drawer DD
Artesia, NM 88210
ATTN: Mr. Mike Williams

Dear Mr. Williams:

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Pauline ALB St. #6 located in Unit J, of Sec. 32-T23S-R31E.

Should you have any questions, please feel free to contact me at (505) 748-1471 Ext. 182. Thank You.

Sincerely,

Brian Collins
Engineer

BC/th

YATES PETROLEUM CORPORATION

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

September 11, 1992

BUREAU OF LAND MANAGEMENT
P. O. Box 1778
Carlsbad, NM 88220
ATTN: Richard Manus, Area Manager

Dear Mr. Manus,

Enclosed please find a copy of the application for downhole commingling of the Pauline ALB St. #6 located in Unit J, Sec. 32-23S-31E, Eddy County.

Should you have any questions, please feel free to contact me at (505) 748-1471 Ext. 182. Thank You.

Sincerely,

Brian Collins
Engineer

BC/th

COMMINGLING DATA FOR THE PAULINE ALB STATE #6

1> Name and Address of the Operator:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
ATTN: Brian Collins

2> Lease Name, Well Number, Well Location, Name of the Pools to be Commingled:

Pauline ALB St. #6
Unit J Sec 32-T23S-R31E
1980' FSL & 1980' FEL
Pools:

3> A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

See Attachment A (map)

4> A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas, and water produced from each zone.

Bone Spring
8037'-8045'
See attached workover summary (Attachment B). Bone Spring swab tested 1.5 BFPH with 40% oil cut. Calculated daily production is:

Oil: 1.5 BFPH x .40 x 24 = 14.4 BOPD
14 BOPD

Water: 1.5 BFPH x .60 x 24 = 21.6 BWPD
22 BWPD

Delaware
7511'-7936'
See attached workover summary (Attachment B). Bone Spring + Delaware pump tested 202 BOPD/ 200 BWPD. Calculated Delaware production is:

Oil: 202 - 14 = 188 BOPD

Water: 200 - 22 = 178 BWPD

5> A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes. (This requirement may be dispensed with in the case of a

newly completed or recently completed well which has little or no production history. However, a complete description of treating testing, etc., of each zone, and a prognostication of future production from each zone shall be submitted.)

See Attachment B (workover history)

Prognostication of Bone Spring reserves derived by assuming an exponential decline rate of 70%/yr. for 1 year followed by 20%/yr. (best engineering estimate).

Qi = 14 BOPD
Q, 1 yr = 4 BOPD
Qel = 1 BOPD
d = 70%/yr. first year
d = 20%/yr. thereafter

$$N\ oil = \frac{365\ (Qel-Qi)}{ln\ (1-d)} = \frac{365\ (4-14)}{ln\ (1-.7)} + \frac{365\ (1-4)}{ln\ (1-.2)} = 3032 + 4907 = 7939\ BO$$

Prognostication of Delaware reserves derived by assuming an exponential decline rate of 70% / yr. for first year followed by a 20% / yr. (best engineering estimate).

Qi = 188 BOPD
Q, 1 yr. = 56 BOPD
Qel = 5 BOPD
d = 70%/yr. first year
d = 20%/yr. thereafter

$$N = \frac{365\ (56-188)}{ln\ (1-.7)} + \frac{365\ (5-56)}{ln\ (1-.2)} = 40{,}018 + 83{,}422 = 123{,}440\ BO$$

Best engineering estimate of gas reserves assumes same GOR for both Bone Spring and Delaware.

6> Estimated bottom-hole pressure for each artificially lifted zone. A current (within 30 days) measured bottom-hole pressure for each zone capable of flowing.

Estimated original BHP of Bone Spring = 2914 psi at 8040' based on direct BHP measurement performed in DST on 3-23-88.

Estimated BHP of Delaware = 2800 psi at 7724' from pressure gradient of Bone Spring.

$$\frac{(2914\ psi)}{(8040\ ft.)}\ (7724\ ft.) = 2800\ psi$$

7> A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.

Both zones produce sweet oil and gas. There are no incompatibility problems.

8> A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams.

Both zones produce sweet oil and gas. The value of the commingled production will not be less than the sum of the values of the individual streams.

9> A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

Oil: Bone Spring - $\frac{7939 \text{ BO}}{131{,}379 \text{ BO}} = 6.04\%$, say 6%

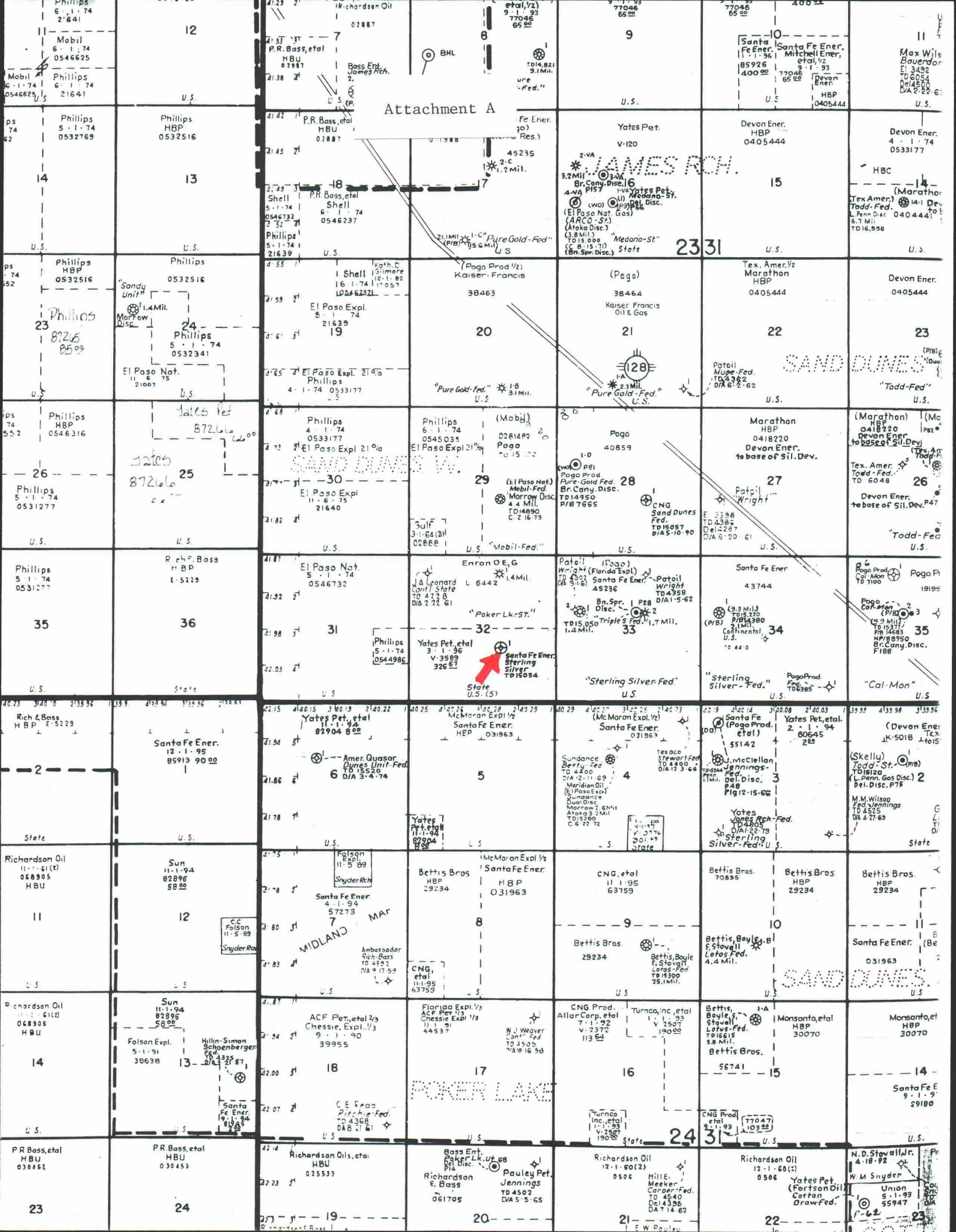
Delaware - $\frac{123{,}440 \text{ BO}}{131{,}379 \text{ BO}} = 93.96\%$, say 94%

Gas: Bone Spring - 6%

Delaware - 94%

10> A statement that all offset operators and, in the case of a well on federal land, the US BLM, have been notified in writing of the proposed commingling.

The offset operators for this area were notified of the proposed commingling of the Pauline ALB State #6. See attached notification/waiver letters (Attachment C). The BLM has also been notified since the Pauline lease has Federal surface ownership.


Attachment A
JAMES RCH.
SAND DUNES
SAND DUNES W.
POKER LAKE
MIDLAND
MAR
Richardson Oil
02887
P.R. Bass, etal
HBU
02887
Bass Ent.
James Rch.
2.
BHL
TD14,821
9.1 Mil.
Fed."
Mobil
6-1-74
0546625
Phillips
6-1-74
21641
Phillips
5-1-74
0532769
Phillips
HBP
0532516
Shell
5-1-74
0546732
Shell
6-1-74
0546237
Phillips
5-1-74
21639
Pure Gold-Fed"
Yates Pet.
V-120
2-VA
3.2Mil
Br. Cany. Disc.
P157
4-VA
1-VA
Yates Pet.
Medana-St.
Dbl. Disc.
P36
(WO)
(P3)
(El Paso Nat. Gas)
(ARCO-St.)
(Atoka Disc.)
(3.8Mil.)
TD15,000
(C-8-15-71)
(Bn. Spr. Disc.)
"Medana-St"
State
2331
Devon Ener.
HBP
0405444
Devon Ener.
4-1-74
0533177
HBC
(Tex Amer.)
Todd-Fed.
L. Penn. Disc
6.7 Mil.
TD16,550
040444
(Marathon)
14-1
Dev
to E
Phillips
HBP
0532516
"Sandy Unit"
1.4Mil.
Morrow Disc
Phillips
0532516
Phillips
5-1-74
0532341
El Paso Nat.
11-6-75
21007
Shell
16-1-74
0546237?
Kath. C. Gilmore
12-1-82
17057
El Paso Expl.
5-1-74
21639
El Paso Expl. 21%
Phillips
4-1-74 0533177
(Pogo Prod 1/2)
Kaiser-Francis
38463
"Pure Gold-Fed."
1-B
3.1Mil.
(Pogo)
38464
Kaiser Francis
Oil & Gas
(128)
2.3Mil.
1-A
"Pure Gold-Fed."
Tex. Amer. 1/2
Marathon
HBP
0405444
Patoil
Muse-Fed.
TD4362
D/A 6-2-62
Devon Ener.
0405444
(P/B)
"Todd-Fed"
Phillips
HBP
0546316
Yates Pet
872666
Yates
872666
Phillips
5-1-74
0531277
Phillips
4-1-74
0533177
El Paso Expl 21%
SAND DUNES W.
Phillips
6-1-74
0545035
El Paso Expl 21%
(Mobil)
02814?82
Pogo
TD 15,???
(El Paso Nat.)
Mobil-Fed.
Morrow Disc.
4.4 Mil.
TD14890
C-2-16-73
Gulf
3-1-64(B)
02888
"Mobil-Fed."
Pogo
40859
1-0
(WO)
PB1
Pogo Prod.
Pure-Gold Fed.
Br. Cany. Disc.
TD14950
P/B 7665
28
CNG
Sand Dunes
Fed.
TD15057
D/A 5-10-90
Marathon
HBP
0418220
Devon Ener.
to base of Sil. Dev.
Patoil
Wright
E-3398
TD 4386
Del 4287
D/A 6-20-61
27
(Marathon)
HBP
0418220
Devon Ener.
to base of Sil. Dev.
Tex. Amer.
Todd-Fed.
TD 6048
26
Devon Ener.
to base of Sil. Dev.
P47
"Todd-Fed"
Phillips
5-1-74
0531277
Richardson
HBP
E-5229
El Paso Nat.
5-1-74
0546732
Enron O&G
J.A. Leonard
Com'l State
TD 4228
D/A 2-22-61
L 6442
1.4Mil.
"Poker Lk-St."
Phillips
5-1-74
0544986
Yates Pet. etal
3-1-96
V-3589
32667
Santa Fe Ener.
Sterling
Silver
TD15034
State
U.S. (S)
Patoil
Wright
(Florida Expl)
TD 4302
D/A 9-1-61
(Pogo)
Santa Fe Ener.
45236
Bn. Spr.
Disc.
P28
TD15,050
1.4 Mil.
Triple S Fed.
1.7 Mil.
33
"Sterling Silver-Fed."
Santa Fe Ener
43744
(9.3 Mil.)
TD15,220
P/B 14380
2.1 Mil.
Continental
U.S.
TD 4410
34
"Sterling
Silver-Fed."
Pogo Prod.
Fed.
TD6385
Pogo Prod.
Cal-Mon
TD 7100
19199
Pogo
Cal-Mon
(P/B)
(9.3 Mil.)
TD15377
P/B 14683
NP/8 8950
Bn. Cany. Disc.
P188
35
"Cal-Mon"
Rich & Bass
HBP E-5229
Santa Fe Ener.
12-1-95
85913 90 00
Yates Pet. etal
11-1-94
82904 80 00
Amer. Quasar
Dunes Unit-Fed
TD 15520
D/A 3-4-74
6
McMoran Expl 1/2
Santa Fe Ener.
HBP
031963
5
(McMoran Expl. 1/2)
Santa Fe Ener.
031963
Sundance
Betty-Fed
TD 4200
D/A 12-11-69
Meridian Oil
(El Paso Expl)
Sundance
Dual Disc.
Morrow 2.6Mil
Atoka 3.2Mil
TD15200
C-6-22-72
4
Texaco
Stewart Fed
TD 4400
D/A 12-3-66
Yates
Pet. etal
11-1-94
82904
80 00
State
Patoil
(Pogo Prod.
etal)
55142
J. McClellan
Jennings-
Fed.
Del. Disc.
P48
P/G 12-15-66
3
Yates
Jones Rch-Fed.
TD 4305
D/A 1-22-79
Sterling
Silver-Fed.
Yates Pet. etal
2-1-94
60645
2 00
(Devon Ener.
K-5018
(Skelly)
Todd-St.
TD15120
(L. Penn. Gas Disc.)
Del. Disc. P78
(P/B)
2
M.M. Wilson
Fed Jennings
TD 4525
D/A 4-27-69
State
Richardson Oil
11-1-61(2)
068905
HBU
Sun
11-1-94
82896
58 00
Folson
Expl.
11-5-89
Snyder Rch
Santa Fe Ener.
4-1-94
57273
7
Ambassador
Rich-Bass
TD 4352
D/A 9-17-53
C.C.
Folson
11-5-89
Snyder Rch
Folson Expl.
11-5-89
Snyder Rch
Bettis Bros.
HBP
29234
8
McMoran Expl 1/2
Santa Fe Ener.
HBP
031963
CNG, etal
11-1-95
63759
CNG,
etal
11-1-95
63759
9
Bettis Bros.
29234
Bettis, Boyle
& Stovall
Lotos-Fed
TD15300
25.1Mil.
CNG, etal
11-1-95
63759
Bettis Bros.
70895
Bettis Bros.
HBP
29234
10
Bettis, Boyle & B
E. Stovall
Lotos Fed.
4.4 Mil.
Bettis Bros.
HBP
29234
Santa Fe Ener.
031963
11
Richardson Oil
068905
HBU
Sun
11-1-94
82896
58 00
Folson Expl.
5-1-91
38638
Hillin-Simon
Schoenberger
Fed.
TD 4325
D/A 2-21-87
13
Santa
Fe Ener.
9-1-94
81943
ACF Pet., etal 2/3
Chessie, Expl. 1/3
9-1-90
39955
18
C.E. Read
Ritchie-Fed.
TD 4368
D/A 8-21-61
Florida Expl. 1/3
ACF Pet. 1/3
Chessie Expl 1/3
11-1-91
44537
17
W.J. Weaver
Cont'l Fed
TD 4505
D/A 10-16-58
CNG Prod.
Allar Corp. etal
7-1-92
V-2372
113 64
Turnco, Inc, etal
1-1-93
V-2507
190 00
16
Turnco
Inc., etal
11-1-93
V-2507
190 00
Bettis,
Boyle &
Stovall
Lotos-Fed.
TD16615
5.8 Mil.
1-A
Bettis Bros.
56741
15
Monsanto, etal
HBP
30070
Monsanto, et
HBP
30070
14
Santa Fe E
9-1-9
59180
CNG Prod.
etal
11-1-93
T70471
103 00
24
31
P.R. Bass, etal
HBU
030852
P.R. Bass, etal
HBU
030453
Richardson Oils, etal
HBU
025533
Bass Ent.
Baker Lk. Ut.
Del Disc.
P14
Richardson
E. Bass
061705
Pauley Pet.
Jennings
TD 4502
D/A 5-5-65
Richardson Oil
12-1-60(2)
0506
Hill E.
Meeker
Carper-Fed.
TD 4540
Del 4396
DA 7-14-62
Richardson Oil
12-1-60(2)
0506
Yates Pet.
(Fortson Oil)
Cotton
Draw-Fed.
N.D. Stovall, Jr.
4-18-92
W.M. Snyder
Union
5-1-93
55947
23
23
24
19
20
21
22
U.S.
State

9-3-92

PAULINE "ALB" STATE #6

MOVE IN & Rig up pulling unit - TOH with rods & pump - Rig up kill truck & pump 20 BBLS of 2% KCL water down annulus - unset tubing anchor - Nipple up BOP - TOH with 2 7/8" tubing - TIH with 2 7/8" tubing & PKR - Set PKR at 7999' - Rig up swab - swab with the following results: FL. 4500'

Time	F.L.	WATER	OIL	GAS
2:45pm - 3:45pm	3000'	20 BBLS	40%	STRONG
3:45pm - 4:45pm	6000'	14 BBLS	40%	STRONG
4:45pm - 5:45pm	7991	4 BBLS	40%	STRONG
5:45pm - 6:45pm	7991	0	0	STRONG
6:45pm - 7:45pm	7800 SCATTERED	1 BBLS	40%	STRONG
7:45pm - 8:45pm	7700 SCATTERED	1½ BBLS	40%	STRONG

TOTAL RECOVERED. 25 BW - 15½ BO - Rig down swab - unset ~~PKR~~ at ~~7999~~ - TOH with 2 7/8" tubing & PKR - TIH with tubing anchor & 2 7/8" tubing - seating nipple set at 7610' - tubing anchor set at 5990' - nipple down BOP - TIH with pump & rods - turn pump on at 4:00 Am 9-4-92

D.C.$ 7053

Bone Spring only.

YATES PETROLEUM CORPORATION
NMOCD CASE 10620 12-3-92
EXHIBIT NUMBER_____

COMMINGLING DATA FOR THE PAULINE ALB STATE #6

1> Name and Address of the Operator:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
ATTN: Brian Collins

2> Lease Name, Well Number, Well Location, Name of the Pools to be Commingled:

Pauline ALB St. #6
Unit J Sec 32-T23S-R31E
1980' FSL & 1980' FEL
Pools:

3> A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

See Attachment A (map)

4> A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas, and water produced from each zone.

Bone Spring
8037'-8045'
See attached workover summary (Attachment B). Bone Spring swab tested 1.5 BFPH with 40% oil cut. Calculated daily production is:

Oil: 1.5 BFPH x .40 x 24 = 14.4 BOPD
14 BOPD

Water: 1.5 BFPH x .60 x 24 = 21.6 BWPD
22 BWPD

Delaware
7511'-7936'
See attached workover summary (Attachment B). Bone Spring + Delaware pump tested 202 BOPD/ 200 BWPD. Calculated Delaware production is:

Oil: 202 - 14 = 188 BOPD

Water: 200 - 22 = 178 BWPD

5> A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes. (This requirement may be dispensed with in the case of a

newly completed or recently completed well which has little or no production history. However, a complete description of treating testing, etc., of each zone, and a prognostication of future production from each zone shall be submitted.)

See Attachment B (workover history)

Prognostication of Bone Spring reserves derived by assuming an exponential decline rate of 70%/yr. for 1 year followed by 20%/yr. (best engineering estimate).

Qi = 14 BOPD
Q, 1 yr = 4 BOPD
Qel = 1 BOPD
d = 70%/yr. first year
d = 20%/yr. thereafter

$$N \text{ oil} = \frac{365\,(Qel-Qi)}{\ln(1-d)} = \frac{365\,(4-14)}{\ln(1-.7)} + \frac{365\,(1-4)}{\ln(1-.2)} = 3032 + 4907 = 7939 \text{ BO}$$

Prognostication of Delaware reserves derived by assuming an exponential decline rate of 70% / yr. for first year followed by a 20% / yr. (best engineering estimate).

Qi = 188 BOPD
Q, 1 yr. = 56 BOPD
Qel = 5 BOPD
d = 70%/yr. first year
d = 20%/yr. thereafter

$$N = \frac{365\,(56-188)}{\ln(1-.7)} + \frac{365\,(5-56)}{\ln(1-.2)} = 40{,}018 + 83{,}422 = 123{,}440 \text{ BO}$$

Best engineering estimate of gas reserves assumes same GOR for both Bone Spring and Delaware.

6> Estimated bottom-hole pressure for each artificially lifted zone. A current (within 30 days) measured bottom-hole pressure for each zone capable of flowing.

Estimated original BHP of Bone Spring = 2914 psi at 8040' based on direct BHP measurement performed in DST on 3-23-88.

Estimated BHP of Delaware = 2800 psi at 7724' from pressure gradient of Bone Spring.

$$\frac{(2914 \text{ psi})}{(8040 \text{ ft.})}\,(7724 \text{ ft.}) = 2800 \text{ psi}$$

7> A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.

Both zones produce sweet oil and gas. There are no incompatibility problems.

8> A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams.

Both zones produce sweet oil and gas. The value of the commingled production will not be less than the sum of the values of the individual streams.

9> A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

Oil: Bone Spring - $\frac{7939 \text{ BO}}{131{,}379 \text{ BO}}$ = 6.04%, say 6%

Delaware - $\frac{123{,}440 \text{ BO}}{131{,}379 \text{ BO}}$ = 93.96%, say 94%

Gas: Bone Spring - 6%

Delaware - 94%

10> A statement that all offset operators and, in the case of a well on federal land, the US BLM, have been notified in writing of the proposed commingling.

The offset operators for this area were notified of the proposed commingling of the Pauline ALB State #6. See attached notification/waiver letters (Attachment C). The BLM has also been notified since the Pauline lease has Federal surface ownership.

9-3-92

PAULINE "ALB" STATE #6

MOVE IN & RIG UP PULLING UNIT - TOH WITH RODS & PUMP - RIG UP KILL TRUCK & PUMP 20 BBLS OF 2% KCL WATER DOWN ANNULUS - UNSET TUBING ANCHOR - NIPPLE UP BOP - TOH WITH 2 7/8" TUBING - TIH WITH 2 7/8" TUBING & PKR - SET PKR AT 7999' - RIG UP SWAB - SWAB WITH THE FOLLOWING RESULTS: FL 4500'

TIME	F.L.	WATER	OIL	GAS
2:45pm - 3:45pm	3000'	20 BBLS	40%	STRONG
3:45pm - 4:45pm	6000'	14 BBLS	40%	STRONG
4:45pm - 5:45pm	7991	4 BBLS	40%	STRONG
5:45pm - 6:45pm	7991	0	0	STRONG
6:45pm - 7:45pm	7800 SCATTERED	1 BBLS	40%	STRONG
7:45pm - 8:45pm	7700 SCATTERED	1 1/2 BBLS	40%	STRONG

TOTAL RECOVERED. 85 BW - 15 1/2 BO - RIG DOWN SWAB - UNSET PKR AT 7999' - TOH WITH 2 7/8" TUBING & PKR - TIH WITH TUBING ANCHOR & 2 7/8" TUBING - SEATING NIPPLE SET AT 7610' - TUBING ANCHOR SET AT 5990' - NIPPLE DOWN BOP - TIH WITH PUMP & RODS - TURN PUMP ON AT 4:00 AM 9-4-92

D.C.# 7053

Bone Spring only.

LOCATION: 1980' FSL, FEL J-32-23s-31e Eddy NM

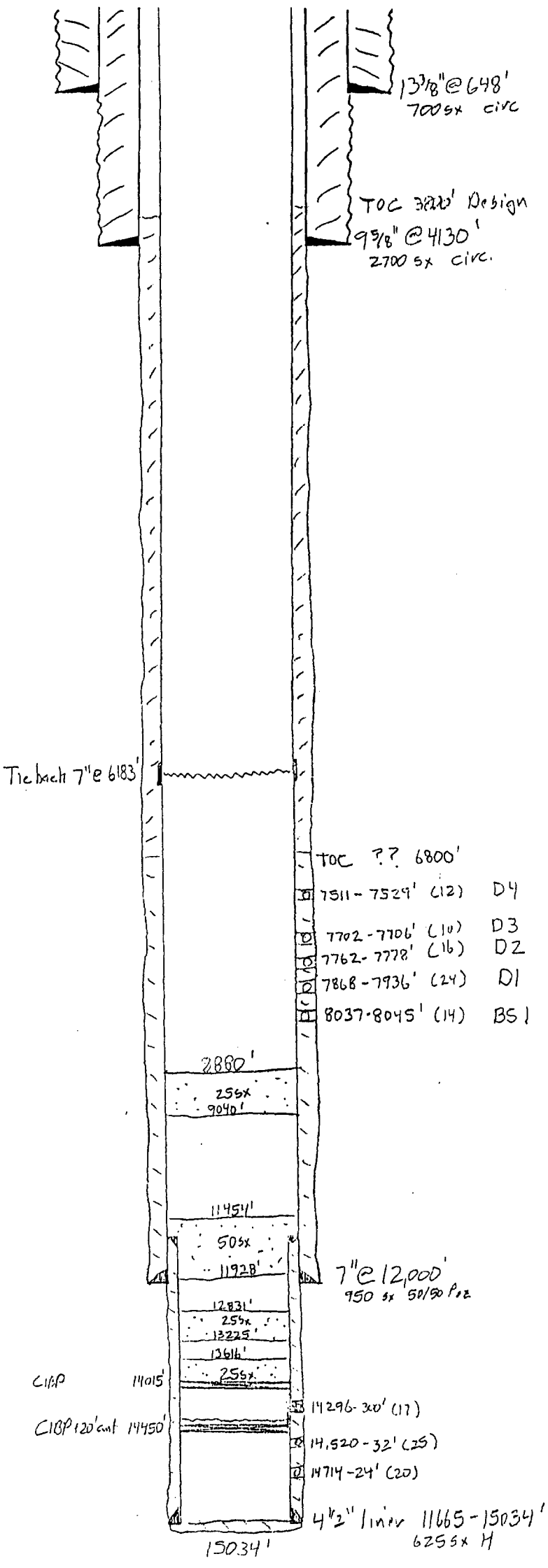
GL: 3370' ZERO: 25' AGL: _____'

KB: 3395' ORIG. DRLG./COMPL. DATE: _____

COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.				DEPTH SET
13 3/8	48	H40 STC		648'
9 5/8	40	K55 LTC		4130'
7"	29	LTC		12,000
4 1/2	13.5	S95 LTC	Liner 11665-	15034'
7"	23	J55 LTC	Tieback	5400'
	26	J55 LTC	Tieback	6183'



Proposed Wellbore Schematic
(Attachment D)

"AFTER"
2

REVISED: Brian Collins

YATES PETROLEUM CORPORATION
CHRONOLOGICAL DRILLING REPORT
Pauline "ALB" State #6
Unit J
32-23S-31E
Eddy County, New Mexico

RE-ENTRY

Location: 1980' FSL & 1980' FEL of Section 32-23S-31E, Eddy County, New Mexico. API No.: 30-015-25886. PTD: 9000' Bone Spring. Lease No.: V-3589. Elevation: 3370.5' GR. Yates Petroleum Corporation proposes to re-enter this well which was drilled by Santa Fe Energy Operating Partners in May of 1988 as their Sterling Silver 32 #1 well and P & A in November 1988.

7-28-92 Cleaned location and dug cellar. Set and tested anchors and markers. Moved in and rigged up pulling unit. Cut off 9-5/8" casing and welded on wellhead. Nippled up BOP. Rigged up working pits. Shut down. Prep to finish rigged up and drill cement plugs. DC $9381

7-29-92 Finished rigging up pits and flow line. Picked up 8-1/2" bit, crossover sub, 1 drill collar. Rigged up power swivel and drilled cement plug #1 from 5' down to 75'. Rigged down power swivel. Picked up and TIH with 13 drill collars, crossover sub and 2-7/8" N-80 tubing down to 634'. Rigged up power swivel. Drilled cement plug #2 from 634-730'. Rigged down power swivel. TIH with 2-7/8" N-80 tubing to 4060'. Rigged up power swivel. Drilled cement plug #3 and CIBP from 4060-4093'. Washed and reamed old hole to 4249'. Bit was torquing up. Could not make any hole. TOH with 2-7/8" tubing, drill collar and bit. TIH with bit, 14 - 4-3/4" drill collars and 2-7/8" tubing. MW 9.5, Vis 36, WL 9, Cl 126000, pH 10. DC $3738; CC $13,119

7-30-92 Finish TIH with bit, drill collar and 2-7/8" tubing to 4219'. Rigged up power swivel and drilled from 4219-4223'. Rigged down power swivel. TOH with 2-7/8" tubing, drill collar and bit. Tested BOP and casing at 3183' to 1500 psi for 15 min, OK. TIH with 8-3/8" OD shoe extension, top bushing, drill collar and 2-7/8" tubing 4223'. Rigged up power swivel. Washed from 4223-4234'. TOH with 2-7/8" tubing, drill collar, top bushing, and extension shoe. TIH with 8-1/2" bit, drill collar and 2-7/8" tubing. Rigged up power swivel. Drill from 4234-4239'. TOH with 2-7/8" tubing, drill collar and bit. TIH with 8-3/8" OD shoe, extension, top bushing, drill collar and 2-7/8" tubing down to 4239'. Rigged up power swivel. Washed from 4239-5100'. MW 9.5, Vis 32, WL 10, Cl 119,000, pH 11. DC $9929; CC $23,048

7-31-92 MW 9.4, Vis 34, WL 9, pH 10, Cl 119,000. Continue washing with shoe from 4722-5841'. TOH with 2-7/8" tubing, drill collar, crossover sub, top bushing, extension and shoe. TIH with bit, drill collar, and 2-7/8" tubing to 5841'. Washed and reamed from 5841-6175'. Tagged top of 7" casing stub at 6175'. TOH with 2-7/8" tubing, drill collar and 8-1/2" bit. Starting to TIH with 6" bit, drill collar and 2-7/8" tubing. DC $9639; CC $32,687

8-1-92 TIH with 6" bit. Could not get into 7" stub. TIH with 8-1/2" bit to 6175'. Drilled cement and junk to 6183'. TIH with impression block. Still have junk on top of stub.

8-2-3-92 TIH with 8-3/16" concave mill to 6183'. Milled 13". TOH with mill. Mill face indicated junk in hole. TIH with 8-3/4" flat bottom mill. Milled 3' to 6187'. Mill still torquing up. TOH. TIH with new 8-3/4" flat bottom mill. Milled 18" to 6188.5'. TOH. TIH with 5-3/4" bit and sting mill. Drilled cement indside 7" stub from 6188.5' to 6270'. Washed down to 6323'. Worked mill inside 7" stub. TOH. TIH with 6" bit. Prep to drill remaining plugs inside 7" casing. MW 9.6, Vis 35, WL 12, pH 10, Cl 119,000

DRILLING REPORT
Page 2
Yates - Pauline "ALB" State #6 (Unit J) 32-23S-31E Eddy Co., NM
****

8-4-92	Rigged up power swivel. Worked 6" bit inside 7" casing. Washed and reamed 188' to 6814'. Drilled cement and junk 6814-6819'. Getting wire tape and metal in returns. TOH with 2-7/8", drill collars and 6" bit. Left 1 cone in hole. TIH with 5-3/4" globe basket, drill collars and 2-7/8" tubing to 6819'. Rigged up power swivel. Had 3-1/2" of core in globe basket. TOH with 2-7/8" tubing, drill collars and globe basket. Did not recovery anything. Prep to TIH with 6" shoe and junk basket. MW 9.6, Vis 40, WL 12, Cl 119,000, pH 10. DC $9169
8-5-92	TIH with 6" shoe extension, top bushing, drill collars and 2-7/8" tubing to 6822'. Rigged up power swivel and drilled cement from 6822-6945'. Washed and reamed from 6945-8940'. MW 9.6, Vis 40, pH 10, WL 12, Cl 110,000. DC $8329
8-6-92	Circulated hole clean. TOH with 2-7/8" tubing, drill collars, top bushing, extension and 6" shoe. Recovered bit cone and piece of 3-1/2" OD pipe 5' long. TIH with 6" bit, 2 drill collars, stabilizer, drill collars, skirted dress off mill, top bushing, 12 drill collars and 2-7/8" tubing to 6188'. Rigged up power swivel. Worked skirted dress off mill over 7" casing stabilizer. Dressed top of casing stub. Circ clean. TOH with 2-7/8" tubing, 12 drill collars, top bushing, skirted dress off mill, drill collar, stabilizer, 2 drill collars, and 6" bit. Changed out tubing rams to 7" casing rams. Rigged up casing crew. Ran 7" casing. MW 9.6, Vis 40, Wl 14, Cl 110,000, pH 10. DC $8729
8-7-92	No report.
8-8-92	Finished running 7" casing to stub at 6161'. Circulated well clean. Had good returns. RIH with 5-3/4" bit, 4 - 4-3/4" drill collars and 2-7/8" tubing to 6375'. TOH with tubing, collars and bit.
8-9-10-92	Ran GR/CCL/CBL from 8100' to 6000'. Set cement retainer at 6100'. Tested annulus to 500 psi, OK. Circulated through retainer. Cemented with 500 gals mud flush + 500 gals Surebond + 975 sacks Class "H" with 8#/sx CSE, .5% CF-14, .035% Thrifty Lite, 5#/sx Gilsonite (weight 13.57, yield 1.75). Circulated 30 bbls of mud flush. Stung out of retainer. Reversed tubing clean. TOH with tubing. WOC. Ran Temperature Survey in 13 hrs. Top of cement 1200'. Prep to drill out on 8-11-92.
8-11-92	WOC. Prep to cut off 7" casing and nipple up tubinghead and BOP. TIH and drilled out cement retainer. DC $105
8-12-92	Made 7" cut off on casing. Nippled up tubinghead. Installed BOP. TIH with 6" bit, 6 - 4-3/4" drill collars and 2-7/8" tubing to cement retainer at 6100'. Rigged up power swivel and drilled out cement retainer and cement. Tested casing stub to 900 psi for 15 mins, OK. TOH with 2-7/8" tubing, drill collars and 6" bit. TIH with 6" bit, scraper, drill collars and 2-7/8" tubing. DC $8579
8-13-92	Finished TIH with 6" bit, scraper, drill collars and 2-7/8" tubing to 8889'. Circulated hole with 2% KCL water. TOH. TIH with 6-1/8" bit and tubing to 6165' to casing splice. TOH. Rigged up wireline and perforated 8037', 38', 39', 40', 43', 44', 45' with 4" casing gun (14 - .45" holes). TOH with guns. Prep to GIH with packer and frac Bone Spring 8037-45'.
8-14-92	TIH with packer and 2-7/8" tubing. Set packer at 7961'. Loaded annulus with 2% KCL water. Acidized perfs 8037-45' with 750 gals 7-1/2% NEFE acid + 16 ball sealers. Breakdown 1680 psi. Avg 3-1/2 BPM at 2000#. Good ball action. ISDP 1000#. Surged balls and frac'd perfs 8037-45' with 1600 gals linear gel, 10,700 gals crosslink gel + 25,500# 20/40 resin coated sand. Avg 6.6 BPM at 2200#. ISDP 1330#, 15 mins 1110#. Total load to recover 439 bbls. Shut in for 2 hours. Opened well with 1000 psi and bled down to pit. Unset packer. TOH with 2-7/8" tubing and packer. Shut down. Prep to perforate and acidize Zone D1 7868-7936'. DC $15,253

DRILLING REPORT
Page 3
Yates - Pauline "ALB" State #6 (Unit J) 32-23S-31E Eddy Co., NM
****

8-15-17-92 TIH with 4" casing gun. Perforated D1 as follows: 7868', 70', 72', 74', 82', 84', 86', 92', 93', 7932', 34', 36'. TIH with RBP, packer and 2-7/8" tubing. Set RBP at 7961' and tested to 2000#. Pulled up and set packer at 7809'. Loaded annulus with 2% KCL water. Acidized perfs 7868-7936' with 1500 gals 7-1/2% NEFE acid + 36 balls. Breakdown 2480#. Avg 4 BPM at 1300#. ISDP 630#, 15 mins 360#. Balled out. Total load to recover 86 bbls. Rigged down Western and rigged up swab. Swabbed as follows:

TIME	F.L.	WATER	OIL
2:00-3:00 PM	Surf-1200'	25	0
3:00-4:00 PM	1200-2200'	30	0
4:00-5:00 PM	2200-3500' scatt	30	20%
5:00-5:30 PM	3500-5200' scatt	12	35%

Total recovered 87 bbls water and 10 bbls oil, 1 bbl water over load. Frac'd perfs 7868-7936' with 2400 gals linear prepad, 11000 gals crosslink gel and 24000# 20/40 resin coated sand. Pressure started climbing on 5 ppg 20/40. Cut sand and went to flush. Avg 7 BPM at 1000#. ISDP 1100#, 15 mins 150#. Total load to recover 370 bbls. Shut in. Prep to TOH with 2-7/8" tubing and packer and perforate D2 7762-7778'. DC $18,617

8-18-92 TOH with 2-7/8" tubing and packer. TIH with 4" casing guns. Could not go down 7070' with 4" casing guns. TOH with 4" casing guns and rigged down wireline. TIH with 2-7/8" tubing to 7809'. Rigged up swivel and Western. Washed sand from 7809' down to 7870'. Circulated hole clean. TOH with 2-7/8" tubing. TIH with 4" casing guns. Perforated Zone D2 & D3, 2 SPF, with 26 holes as follows: D2 - 7762', 64', 66', 68', 72', 7774', 76', 78' and D3 - 7702', 03', 04', 05', 06'. TOH with casing guns. TIH with RBP, packer and 2-7/8" tubing. Set RBP at 7809' and tested to 1500#. Spot 2 bbls of acid across perfs. Pulled up and set packer at 7587'. Acidized Zone D2 7762-7778' and Zone D3 7703-7706' with 1500 gals 7-1/2% NEFE acid + 40 balls. Breakdown 3600#. Avg 4 BPM at 1400#. Ball action very good. Had 600# increase. ISDP 500#, 5 mins 500#, 10 mins 450#, 15 mins 425#. Total load to recover 103 bbls. Rigged down Western. Rigged up swab. Swabbed as follows:

TIME	F.L.	FLUID (bbls)	OIL (%)
12 AM-1 AM	300'	24	0
1 AM-2 AM	600'	27	0
2 AM-3 AM	800'	25	0
3 AM-4 AM	600'	25	0
4 AM-5 AM	Surf	26	10%
5 AM	Well started flowing		
5 AM-6 AM	100# 3/4# Ch	25	50%
6 AM-7 AM	150# 1/2" Ch	25	50%

Total recovered 157 bbls water and 20 bbls oil, 74 bbls water over load. DC $8094

8-19-92 Continued flowing as follows:

TIME	PSI/CHOKE	FLUID	% OIL
7-8:00 AM	125#-1/2"	25 bbls	60%
8-9:00 AM	125#-1/2"	10	60%
9-10:00 AM	140#-1/2"	15	50%
10-11:00 AM	140#-1/2"	9	50%
11-12:00 PM	125#-1/2"	13	60%
12-1:00 PM	140#-1/2"	10	60%
1-2:00 PM	125#-1/2"	15	60%
2-3:00 PM	140#-1/2"	9	70%
3-4:00 PM	140#-1/2"	14	70%

Total recovered 207 bbls water + 90 bbls oil. Over load 194 bbls. Shut down. Prep to frac D2 & D3. DC $2482

8-20-92 Frac'd perfs 7702-7706' and 7762-7778' with 10000 gals 35# linear prepad, 22000 gals 35# crosslink + 38000# 20/40 resin coated sand. Max 3100#, Min 1950#, Avg 2800# at 10 BPM. ISDP 800#, 5 mins 700#, 10 mins 600#, 15 mins 600#. Shut in for 4 hours. Bled pressure off. Unset packer at

DRILLING REPORT
Page 4
Yates - Pauline "ALB" State #6 (Unit J) 32-23S-31E Eddy Co., NM
****

7587'. Dropped down to 7809'. Reverse circulated tubing clean. Unset RBP at 7809'. Pulled up hole to 7565'. Set RBP at 7565' and tested to 1500#, OK. Pulled up and set packer at 7433'. TOH with through tubing guns. Perforated 2 SPF 12 holes with Enterjet through tubing guns as follows: 7511', 13', 15', 23', 25', 29'. TOH with tubing guns. Rigged up Western. Loaded annulus. Acidized perfs 7511-7529' with 1000 gals 7-1/2% NEFE acid. Broke down 4000#. Max 3500#, Min 2600#, Avg 3000# at 3 BPM. Ball action very good. ISDP 500#, 5 mins 450#, 10 mins 425#, 15 mins 425#. Total load to recover 79 bbls water. Swabbed as follows:

TIME	F.L.	WATER	OIL
10-11 PM	2000'	20 bbls	0
11 PM-12 AM	4000'	18 bbls	0
12-1 AM	5000'	16 bbls	0
1-2 AM	6000'	10 bbls	0
2-3 AM	6500'	5 bbls	0
3-4 AM	7420' (SN)	3 bbls	10%
4-5 AM	7420' (SN)	2 bbls	20%
5-6 AM	7420' (SN)	1 bbl	30%

Total recovered 74 bbls water and 1 bbl oil. Load left 48 bbls water. DC $26,165; CC $28,647

8-21-92 Continued swabbing as follows:

TIME	FLUID LEVEL	WATER	OIL
6 AM-7 AM	7420' (SN)	1.5 bbls	30%
7 AM-8 AM	7420' (SN)	1 bbl	35%
8 AM-9 AM	7420' (SN)	1 bbl	35%
9 AM-10 AM	7420' (SN)	1 bbl	35%

Total recovered 77 bbls water & 2-1/2 bbls oil. Over load 1/2 bbl. Rigged up Western. Frac'd perfs 7511-7529' with 6000 gals 35# linear prepad, 4000 gals 35# crosslink and 22,000# 20/40 resin-coated sand. Max 4200#, Min 2400#, Avg 3300# at 8.6 BPM. ISDP 650#, 5 mins 650#, 10 mins 625#, 15 mins 600#. Shut in. Flowed back. Unset packer at 7433'. Washed sand down to RBP. Unset RBP at 7565'. TOH with 2-7/8" tubing, packer and RBP. Shut down. Prep to unset RBP at 7961'. DC $20,145; CC $48,792

8-22-92 TIH with retrieving tool and 2-7/8" tubing. Washed 130' sand off top of RBP at 7961'. Unset RBP at 7961'. TOH with 2-7/8" tubing, retrieving tool and RBP. TIH with 2-7/8" N-80 tubing to 8250'. Rigged up Western and circulated 230 bbls 2% KCL. TOH and laid down 2-7/8" N-80 tubing. Shut down. Prep to TIH with 2-7/8" J-55 tubing and tubing anchor. Turned over to production to run rod pump (SN at 7610' & anchor at 5990'). DC $2797; CC $51,589

8-23-24-92 No report.

8-24-92 Pumped 296 bbls oil, 414 bbls water and 454 MCF in 21 hours.

8-25-92 Pumped 330 bbls oil, 220 bbls water and 461 MCF.

8-26-92 Pumped 294 bbls oil, 205 bbls water and 453 MCF.

8-27-92 Pumped 292 bbls oil, 288 bbls water and 420 MCF.

8-28-92 Pumped 276 bbls oil, 200 bbls water and 420 MCF.

8-29-92 Pumped 273 bbls oil, 210 bbls water and 420 MCF.

8-30-92 Pumped 231 bbls oil, 173 bbls water and 420 MCF.

8-31-92 Pumped 222 bbls oil, 202 bbls water and 468 MCF.

9-1-92 Pumped 202 bbls oil, 200 bbls water and 448 MCF.

9-2-92 Pumped 23 bbls oil and 240 bbls water.

Bone Spring + Delaware.

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Yates Petroleum EXHIBIT NO. 1

CASE NO 10620

Attachment C
Pg. 1

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

June 24, 1992

Meridian Oil, Inc.
21 Desta Drive
Midland, Texas 79705

ATTN: Ms. Connie Malik

RE: Approval of Yates Petroleum Corporation Proposal to downhole commingle production from the Bone Spring and Delaware in the Pauline ALB St. 6 located 1980' FSL, 1980' FEL, Section 32-23S-31E, Eddy Co., New Mexico.

Dear Ms. Malik:

Yates Petroleum Corporation proposes to downhole commingle the Bone Spring from 8036' to 8046' with Delaware Sand zones from 7510' to 7936' in the referenced well. The top of the Bone Spring formation is at approximately 8000'. Our reason for doing this is to maximize productivity while minimizing expenditures.

We desire to initiate well work as soon as possible and because the New Mexico Oil and Gas Conservation Commission requires that notice be sent to the offset operators when proposing to downhole commingle, we are respectfully asking you to approve this letter stating that you have no objections to our proposal to downhole commingle the Bone Spring and Delaware formations. We would be most appreciative of a prompt response to this letter.

Please call Brian Collins at (505)748-1471 if you have questions or require further information. Please signify your approval by signing below and faxing this letter back to me (505)748-9758.

Sincerely,

Clifton May

Clifton May
Permit Agent

CM/cvg

We have no objection to Yates' proposal to downhole commingle the Bone Spring and Delaware formations in the Pauline ALB St. 6 (J-32-23S-31E).

Name: Connie L. Malik

Title: Regulatory Compliance Rep.

Company: Meridian Oil Inc.

Date: 7-13-92

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

June 24, 1992

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

ATTN: Mr. Larry Sanders

RE: Approval of Yates Petroleum Corporation Proposal to downhole commingle production from the Bone Spring and Delaware in the Pauline ALB St. 6 located 1980' FSL, 1980' FEL, Section 32-23S-31E, Eddy Co., New Mexico.

Dear Mr. Sanders:

Yates Petroleum Corporation proposes to downhole commingle the Bone Spring from 8036' to 8046' with Delaware Sand zones from 7610' to 7938' in the referenced well. The top of the Bone Spring formation is at approximately 8000'. Our reason for doing this is to maximize productivity while minimizing expenditures.

We desire to initiate well work as soon as possible and because the New Mexico Oil and Gas Conservation Commission requires that notice be sent to the offset operators when proposing to downhole commingle, we are respectfully asking you to approve this letter stating that you have no objections to our proposal to downhole commingle the Bone Spring and Delaware formations. We would be most appreciative of a prompt response to this letter.

Please call Brian Collins at (505)748-1471 if you have questions or require further information. Please signify your approval by signing below and faxing this letter back to me (505)748-9758.

Sincerely,

Clifton May

Clifton May
Permit Agent

CM/cvg

We have no objection to Yates' proposal to downhole commingle the Bone Spring and Delaware formations in the Pauline ALB St. 6 (J-32-23S-31E).

Name: D R Wier
Title: Res. Eng. Director
Company: Phillips Petr. Co.
Date: 6/24/92

TOTAL P.01

MARTIN YATES, III
1912 - 1988
FRANK W. YATES
1936 - 1986

YATES PETROLEUM CORPORATION

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

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

June 24, 1992

Enron Oil & Gas Corporation
508 W. Wall Street, Suite 1100
Midland, Texas 79702

ATTN: Mr. Ray Ingle

RE: Approval of Yates Petroleum Corporation Proposal to downhole commingle production from the Bone Spring and Delaware in the Pauline ALB St. 6 located 1980' FSL, 1980' FEL, Section 32-23S-31E, Eddy Co., New Mexico.

Dear Mr. Ingle:

Yates Petroleum Corporation proposes to downhole commingle the Bone Spring from 8036' to 8046' with Delaware Sand zones from 7510' to 7936' in the referenced well. The top of the Bone Spring formation is at approximately 8000'. Our reason for doing this is to maximize productivity while minimizing expenditures.

We desire to initiate well work as soon as possible and because the New Mexico Oil and Gas Conservation Commission requires that notice be sent to the offset operators when proposing to downhole commingle, we are respectfully asking you to approve this letter stating that you have no objections to our proposal to downhole commingle the Bone Spring and Delaware formations. We would be most appreciative of a prompt response to this letter.

Please call Brian Collins at (505)748-1471 if you have questions or require further information. Please signify your approval by signing below and faxing this letter back to me (505)748-9758.

Sincerely,

Clifton May

Clifton May
Permit Agent

CM/cvg

We have no objection to Yates' proposal to downhole commingle the Bone Spring and Delaware formations in the Pauline ALB St. 6 (J-32-23S-31E).

Name: R L [illegible]

Title: Division Operations Manager

Company: Enron Oil & Gas

Date: 24 June '92

Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

July 6, 1992

RECEIVED
JUL 7 1992

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

Attention: Mr. Clifton May
Permit Agent

Re: Approval of Yates Petroleum Corporation Proposal to downhole commingle Pauline ALB State 6
Eddy County, New Mexico

Gentlemen:

Enclosed please find waiver letter regarding your proposal to commingle production from the Bone Spring and Delaware in the Pauline ALB State 6 well. This letter has been signed by Santa Fe subject to Yates Petroleum Corporation's agreement to waive any objections to a similar proposal on Santa Fe's offset acreage.

Should you have any questions, please feel free to contact me.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company,
Managing General Partner

By: Gary Green
Gary Green, Division Landman

GG:pr

Enclosure a/s

pr2302

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

YATES PETROLEUM CORPORATION

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

June 24, 1992

Santa Fe Energy Co
500 W. Illinois
Midland, Texas 79701

ATTN: Mr. Gary Green

RE: Approval of Yates Petroleum Corporation Proposal to downhole commingle production from the Bone Spring and Delaware in the Pauline ALB St. 6 located 1980' FSL, 1980' FEL, Section 32-23S-31E, Eddy Co., New Mexico.

Dear Mr. Green:

Yates Petroleum Corporation proposes to downhole commingle the Bone Spring from 8036' to 8046' with Delaware Sand zones from 7510' to 7936' in the referenced well. The top of the Bone Spring formation is at approximately 8000'. Our reason for doing this is to maximize productivity while minimizing expenditures.

We desire to initiate well work as soon as possible and because the New Mexico Oil and Gas Conservation Commission requires that notice be sent to the offset operators when proposing to downhole commingle, we are respectfully asking you to approve this letter stating that you have no objections to our proposal to downhole commingle the Bone Spring and Delaware formations. We would be most appreciative of a prompt response to this letter.

Please call Brian Collins at (505)748-1471 if you have questions or require further information. Please signify your approval by signing below and faxing this letter back to me (505)748-9758.

Sincerely,

Clifton May

Clifton May
Permit Agent

CM/cvg

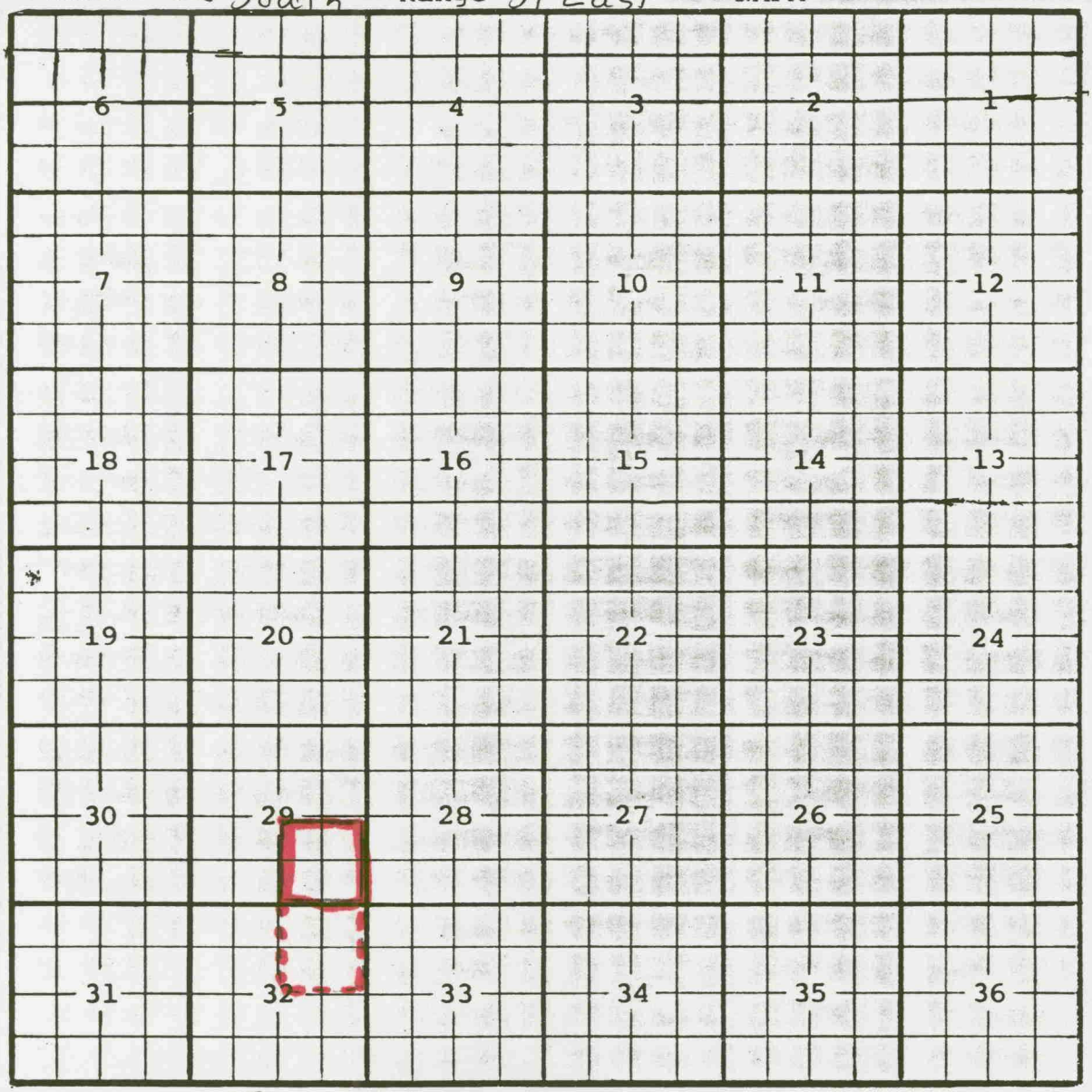
*We have no objection to Yates' proposal to downhole commingle the Bone Spring and Delaware formations in the Pauline ALB St. 6 (J-32-23S-31E).

Name: Gary Green
Gary Green
Title: Division Landman
Company: Santa Fe Energy Operating Partners, L.P.
Date: July 6, 1992

* Subject to Yates Petroleu Corporation's agreement to any objections to a similar proposal on Santa Fe's offs acreage.

County Eddy Pool West Sand Dunes-Delaware

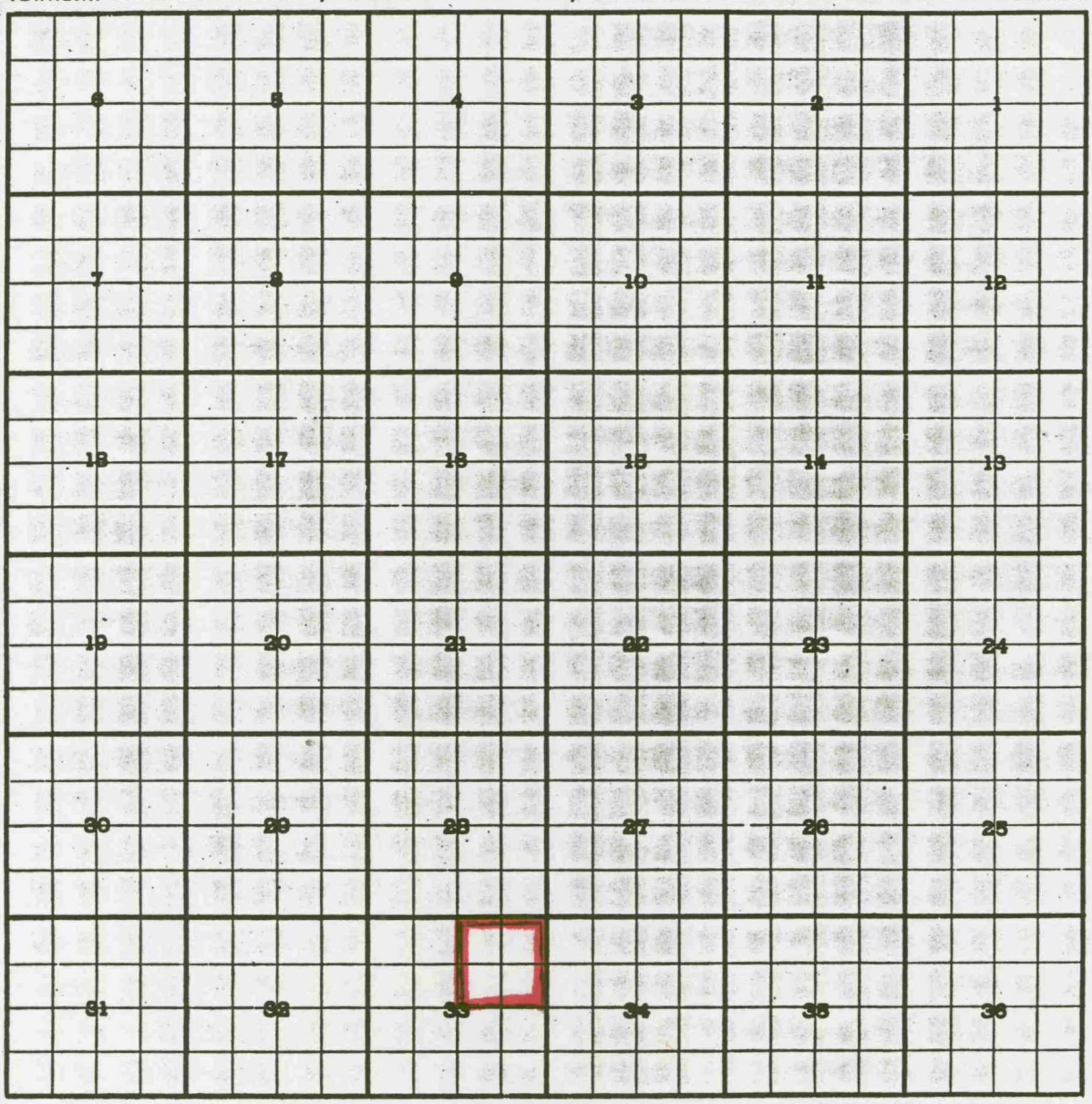
TOWNSHIP 23 South Range 31 East NMPM



Description: SE/4 Sec. 29 (R-9709, 8-25-92)

County Eddy Pool Ingle Wells - Bone Spring

TOWNSHIP 23 South, RANGE 31 East, NEW MEXICO PRINCIPAL MERIDIAN



DESCRIPTION: NE/4 SEC 33 (R-8592, 1/25/88)

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF YATES PETROLEUM CORPORATION FOR DOWNHOLE COMMINGLING, EDDY COUNTY, NEW MEXICO. CASE NO. 10620

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby enters its appearance in the above referenced case on behalf of Yates Petroleum Corporation.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.,

By: William F. Carr
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES PETROLEUM CORPORATION

RECEIVED
NOV 1 [illegible] 1992
OIL CONSERVATION DIVISION

CASE 10620: **Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Undesignated Ingle Wells-Bone Spring Pool oil production with Undesignated West Sand Dunes-Delaware Pool oil production within the wellbore of its Pauline ALB State Well No. 6 located 1980 feet from the South and East lines (Unit J) of Section 32, Township 23 South, Range 31 East, being approximately 3 miles west of New Mexico State Highway 128 at Mile Marker 17.

CASE 10621: **Application of Fortson Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 SW/4 (Unit M) of Section 30, Township 19 South, Range 39 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of Nadine, New Mexico.

CASE 10622: **Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in Section 6, Township 29 North, Range 12 West, and in the following described manner: Lots 6 and 7, the E/2 SW/4 and SE/4 (S/2 equivalent) to form a standard 317.98-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes only the Basin-Fruitland Coal (Gas) Pool and Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) to form a standard 157.98-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east side of Farmington, New Mexico.

CASE 10623: **Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in Section 7, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 9, the N/2 NE/4, and the NW/4 SE/4 (E/2 equivalent) to form a standard 321.45-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes only the Basin-Fruitland Coal (Gas) Pool and Lots 5 and 6 and the N/2 NE/4 (NE/4 equivalent) to form a standard 160.46-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10624: **Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 1 through 4, 9 and 10, and the N/2 NW/4 (W/2 equivalent) to form a standard 325.77-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes only the Basin-Fruitland Coal (Gas) Pool and Lots 3, 4, 9 and 10 (SW/4 equivalent) to form a standard 164.44-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10625: **Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 8 and the NE/4 (E/2 equivalent) to form a standard 322.86-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes only the Basin-Fruitland Coal (Gas) Pool and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10626: **Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 32, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles west by north of Elkins, New Mexico.

CASE 10627: **Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 of Section 17, Township 10 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing, which presently includes but is not necessarily limited to the South Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northeast of Roswell, New Mexico.

CASE 10628: **Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, and the W/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said units are to be dedicated to the plugged and abandoned Pan American Petroleum Corp. Pardue Federal Gas Com Well No. 1 located at an unorthodox gas well location 1140 feet from the South line and 1350 feet from the West line (Unit N) of said Section 27. Also to be considered will be the cost of re-entering and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering and recompleting said well. Said area is located approximately 15 miles west by north of Carlsbad, New Mexico.

CASE 10629: **Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, and the W/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 500 feet from the South line and 660 feet from the West line (Unit M) of said Section 27. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 15 miles west by north of Carlsbad, New Mexico.