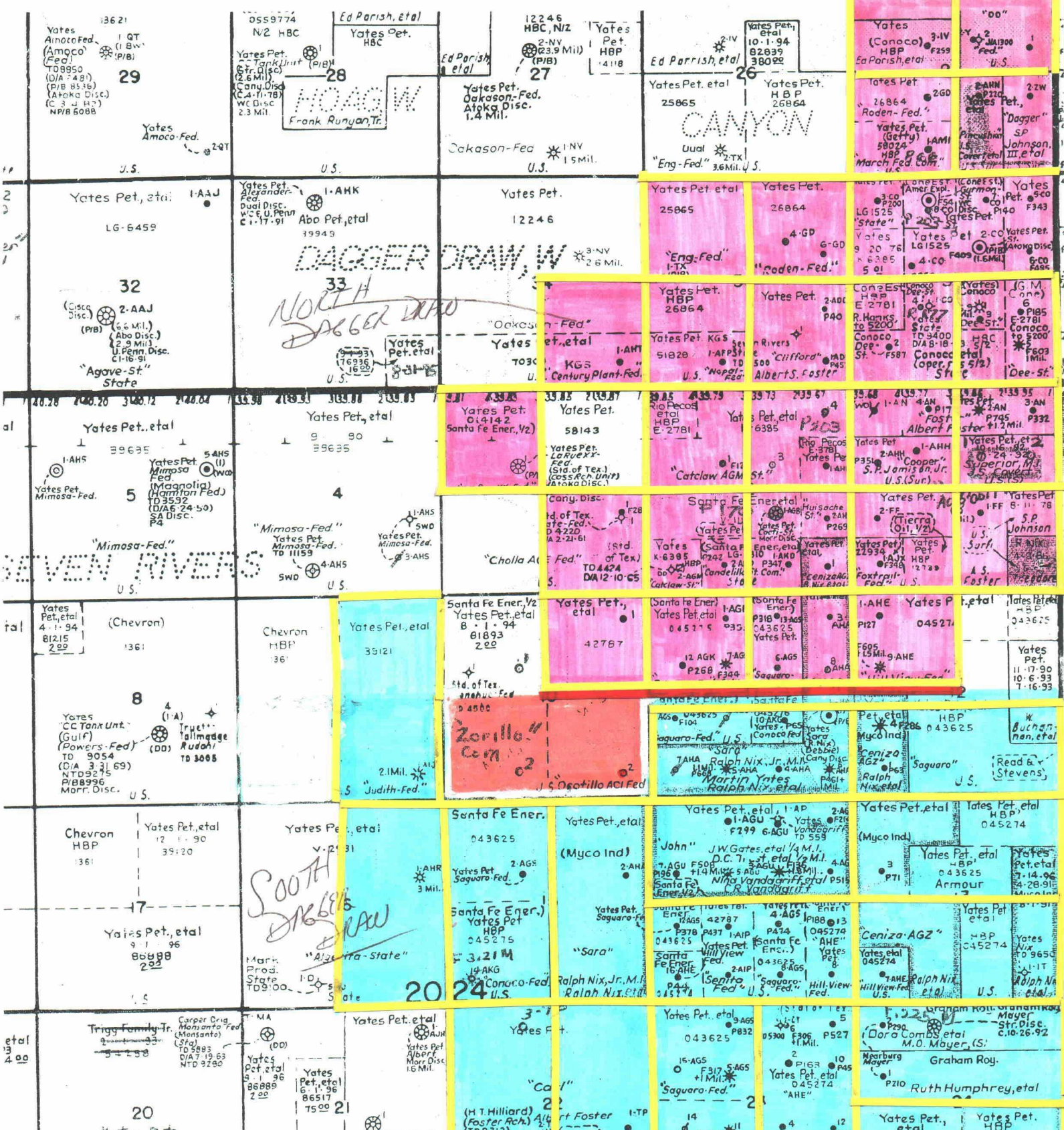


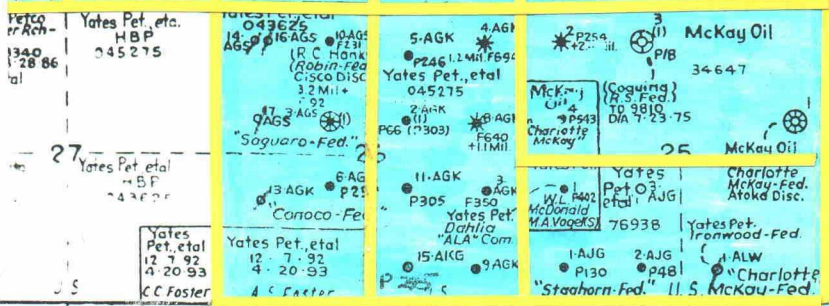


BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case Nos. 10871 and 10875 Exhibit No. 1

Submitted by: Yates Petroleum Corporation

Hearing Date: December 2, 1993





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

** Final*
AUTHORITY FOR EXPENDITURE
NEW DRILLING

AFE NO. 92-428-0
AFE DATE 9/9/92

Objective	
X	Oil
	Gas

Type of Well	
	Development
X	Exploratory

AFE STATUS:

X	Original
	Revised
	Final

LEASE NAME	Ocotillo ACT Federal Com. #2	PROJ'D DEPTH	8200'
COUNTY	Eddy	STATE	New Mexico
LEGAL DESC.	660' FSL & 660' FEL	LOCATION	Sec. 10-20S-24E
FIELD		HORIZON	Canyon

DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

INTANGIBLE DRILLING COSTS:

		DRY HOLE	COMPD WELL
920-100	Staking, Permit & Legal Fees	500	500
920-110	Location, Right-of-Way	10,800	10,800
920-120	Drilling, Footage	123,000	123,000
920-130	Drilling, Daywork	13,500	13,500
920-140	Drilling Water, Fasline Rental	18,000	18,000
920-150	Drilling Mud & Additives	10,000	10,000
920-160	Mud Logging Unit, Sample Bags	3,600	3,600
920-170	Cementing - Surface Casing	12,500	12,500
920-180	Drill Stem Testing, OHT	-	-
920-190	Electric Logs & Tape Copies	11,000	11,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	6,300	6,300
920-210	Supervision & Overhead	7,500	7,500
920-220	Contingency	-	-
920-230	Coring, Tools & Service	-	-
920-240	Bits, Tool & Supplies Purchase	300	300
920-350	Cementing - Production Casing	-	8,000
920-410	Completion Unit - Swabbing	-	7,800
920-420	Water for Completion	-	1,100
920-430	Mud & Additives for Completion	-	600
920-440	Cementing - Completion	-	-
920-450	Elec. Logs, Testing, Etc. - Completion	-	4,000
920-460	Tools & Equip. Rental, Etc. - Completion	-	8,000
920-470	Stimulation for Completion	-	10,000
920-480	Supervision & O/H - Completion	-	5,400
920-490	Additional LOC Charges - Completion	-	3,300
920-510	Bits, Tools & Supplies - Completion	-	2,300
920-500	Contingency for Completion	-	4,500
TOTAL INTANGIBLE DRILLING COSTS		217,000	272,000

TANGIBLE EQUIPMENT COSTS:

930-010	Christmas Tree & Wellhead	2,200	15,700
930-020	Casing 9 5/8" @ 1200'	16,800	-
	7" @ 8200'	-	16,800
		-	80,000
		-	-
930-030	Tubing 2-7/8" @ 7700'	-	21,500
930-040	Packer & Special Equipment	-	1,500
940-010	Pumping Equipment	-	75,000
940-020	Storage Facilities	-	-
940-030	Separation Equip., Flowlines, Misc.	-	10,000
940-040	Trucking & Construction Costs	-	-
TOTAL TANGIBLE EQUIPMENT COSTS		19,000	220,500

TOTAL COSTS 236,000 492,500

APPROVAL OF THIS AFE COSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	<i>Al Springer</i>	Operations Approval	<i>S</i>
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OWNER

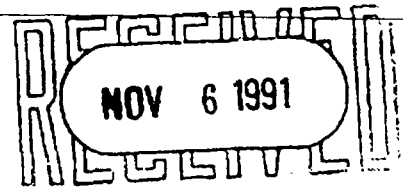
SHARE

YATES PETROLEUM CORPORATION	41.665625%
BY	DATE
SANTA FE OPERATING PARTNERS, L.P.	58.334375%
BY	DATE
BY	DATE
BY	DATE



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner



November 4, 1991

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

Attention: Ms. Kathy Porter

Re: Dagger Draw
Development Proposal

Gentlemen:

In planning for the 1992 drilling budget and development of the Dagger Draw Prospect, Santa Fe submits the following proposal for your review and consideration:

- A. Santa Fe requests one drilling rig be continuously assigned to the Santa Fe/Yates jointly owned leases for the drilling of 10 wells. Santa Fe feels this will be a prudent and orderly method of development.
- B. Santa Fe proposes the following locations be drilled during 1992:

<u>Location</u>	<u>Formation</u>	<u>Month</u>
1. NE/4SE/4 of Section 14	Cisco Canyon	December/January
2. SE/4NE/4 of Section 11	Cisco Canyon	January/February
3. SE/4SE/4 of Section 10	Cisco Canyon	March
4. SW/4SE/4 of Section 2	Cisco Canyon	April
5. SE/4SE/4 of Section 11	Cisco Canyon	May
6. SE/4SW/4 of Section 2	Cisco Canyon	June
7. NW/4NE/4 of Section 11	Cisco Canyon	July
8. NW/4SW/4 of Section 15	Cisco Canyon	August
9. NW/4SE/4 of Section 11	Cisco Canyon	September
10. SE/4NW/4 of Section 11	Cisco Canyon	October

Santa Fe's primary concerns in this prospect are to protect the Santa Fe/Yates leases from drainage, and the orderly development of this prospect.

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case Nos. 10871 and 10875 Exhibit No. 3

Submitted by: Yates Petroleum Corporation

Hearing Date: December 2, 1993

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

Yates Petroleum Company
November 4, 1991
Page 2

Santa Fe would be available to review its proposal, along with any proposal Yates has on this prospect for 1992, prior to the end of the year.

Should you have any questions, please give me a call.

Yours very truly,

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

By: 

Gary Green, Senior Landman

cc: T.S. Parker
L.E. Shuflin
Bill Fulton
Gene Davis

GG:pr

pr1948

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

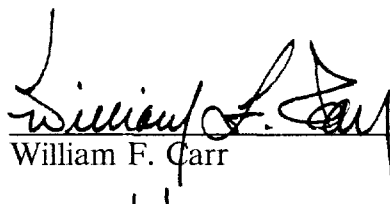
IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10875

AFFIDAVIT

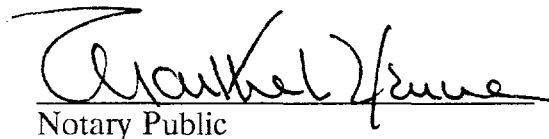
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.



William F. Carr

SUBSCRIBED AND SWORN to before me this 1st day of December, 1993.



Notary Public

My Commission Expires:

August 19, 1995

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case Nos. 10871 and 10875 Exhibit No. 4

Submitted by: Yates Petroleum Corporation

Hearing Date: December 2, 1993

EXHIBIT A

Santa Fe Energy Operating Partners, L.P.
550 West Texas, Suite 1330
Midland, TX 79701
Attn: Gary Green

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 11, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Santa Fe Energy Operating Partners, L.P.
550 West Texas, Suite 1330
Midland, TX 79701
Attn: Gary Green

Re: Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy
County, New Mexico

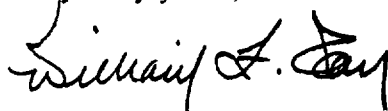
Dear Mr. Green:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in all formations to the base of the Canyon formation, in and under the S/4 S/2 of Section 10, Township 20 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. Yates Petroleum Corporation proposes to dedicate the referenced pooled unit to its Ocotillo ACI Federal Com. Well No. 2 which is currently drilled at an orthodox location 660 feet from the South and East lines of Section 10, to test all formations to the base of the Canyon formation, North Dagger Draw-Upper Pennsylvanian Pool.

This application has been set for hearing before a Division Examiner on December 2, 1993. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh
Enc.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
 Santa Fe Energy Operating Partners, L.P.
 550 West Texas, Suite 1330
 Midland, TX 79701
 Attn: Gary Green

4. Article Number
 P 176 017 101

Type of Service:
☐ Registered ☐ Insured
☐ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature Address
[Signature]

6. Signature - Agent
[Signature]

7. Date of Delivery
 11-15-93

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 176 017 101



Receipt for Certified Mail

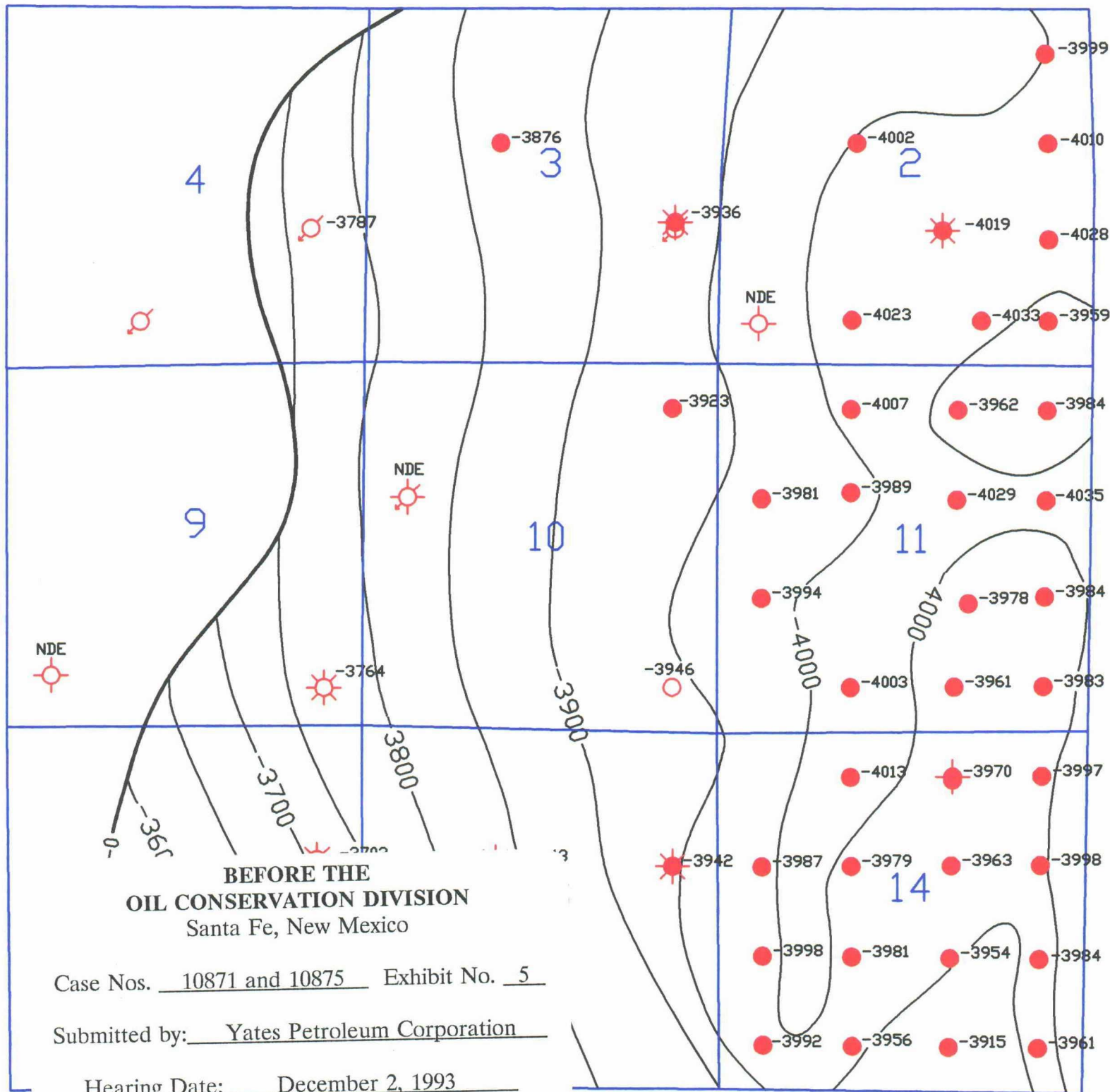
No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Santa Fe Energy Operating Partners, L.P., Attn: Gary Green
 500 West Texas, Suite 1330
 Midland, TX 79701

Postage	\$
Insurance	
Registered Mail	
Certified Mail	
Express Mail	
Return Receipt for Merchandise	
Signature of Agent	
Signature of Addressee	
Date	

PS Form 3800, June 1991

20S-24E

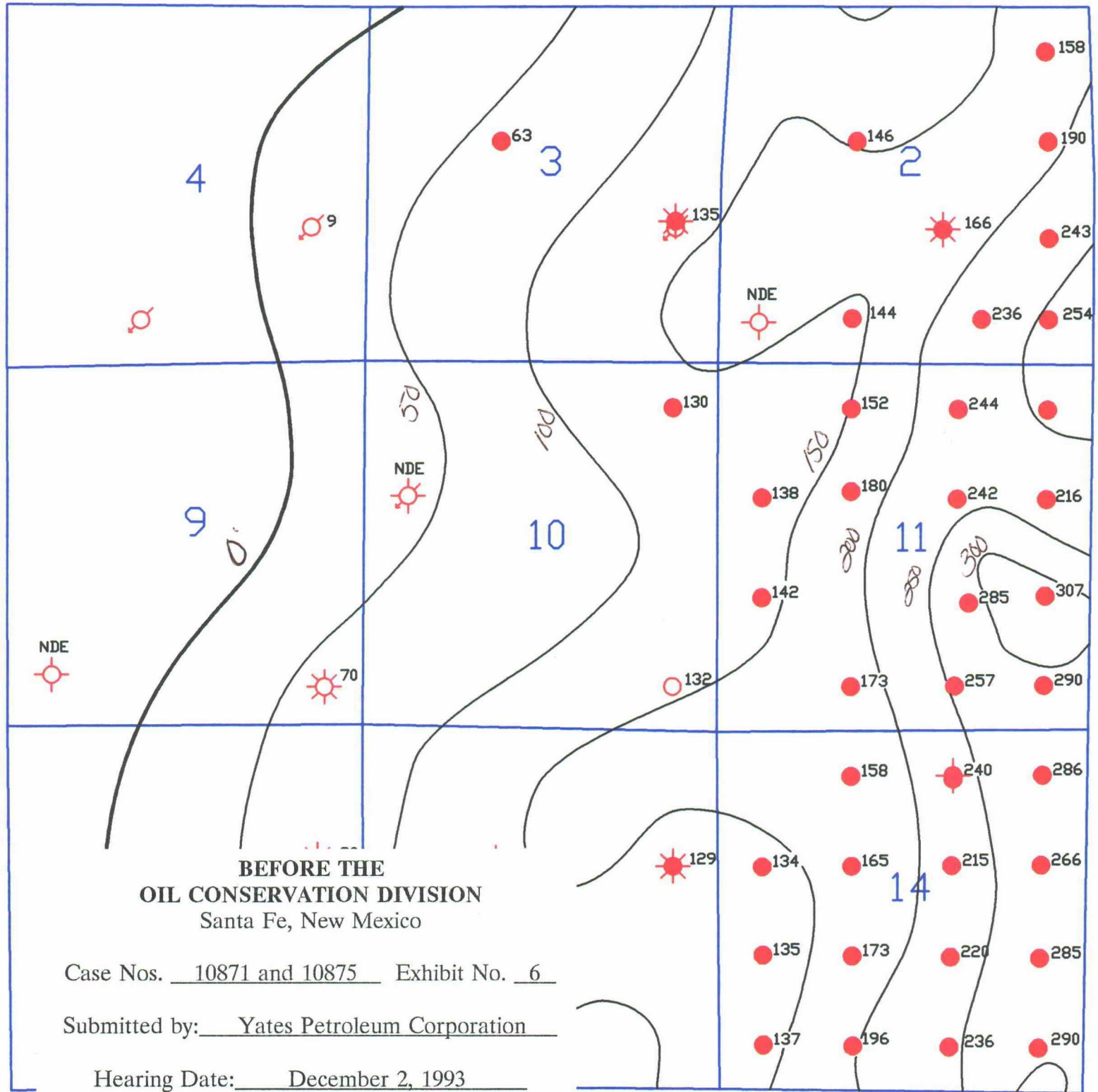


12/93 (VM)
DRAFT\A93033A

STRUCTURE MAP
TOP OF CANYON DOLOMITE
EDDY COUNTY, NEW MEXICO

GEOLOGIC D'NESE FLY
SCALE: 1"=2000'

C.I. = 50'



12/93 (VM)
DRAFT\A93033B

**DAGGER DRAW
NET ISOPACH - CANYON DOLOMITE
EDDY COUNTY, NEW MEXICO**

GEOLOGIC D'NESE FLY
SCALE: 1"=2000'

C.I. = 50'

Hearing Date: December 2, 1993

COMPANY: Yates Petroleum

WELL: Ocotillo "ACI" Federal #2

FIELD: Dagger Draw

COUNTY: Eddy STATE: New Mexico

Schlumberger

Compensated Neutron
Litho-Density
Gamma RayCOUNTY: Eddy
Field: Dagger Draw
Location: 660 FSL & 660 FEL
Well: Ocotillo "ACI" Federal #2
Company: Yates Petroleum

LOCATION

660 FSL & 660 FEL
S10 T20S R24E

Elev.: KB 3666 F

G.L. 3648 F

D.F. 3665 F

Permanent Datum: GROUND LEVEL

Elev. 3648 F

Log Measured From: kb

18.0 F above Perm Datum

Drilling Measured From: kb

API Serial No.
naSECTION
10TOWNSHIP
20SRANGE
24E

Logging Date

November 21 1993

Run Number

1

Depth Driller

8045 F

Schlumberger Depth

8046 F

Bottom Log Interval

8013 F

Top Log Interval

200 F

Casing Driller Size @ Depth

9.625 IN @ 1116 F

Casing Schlumberger

1116 F

Bit Size

8.750 IN

Type Fluid In Hole

Brine

Density

9.3 LB/G 31 S

Fluid Loss

6 C3 11

Source Of Sample

Circ.

RM @ Measured Temperature

0.090 CHMM @ 68 DEGF

RMF @ Measured Temperature

0.087 CHMM @ 68 DEGF

RMC @ Measured Temperature

@

Source RMF

RMC

RM @ BHT

0.051 @ 126 0.049 @ 126

Maximum Recorded BHT

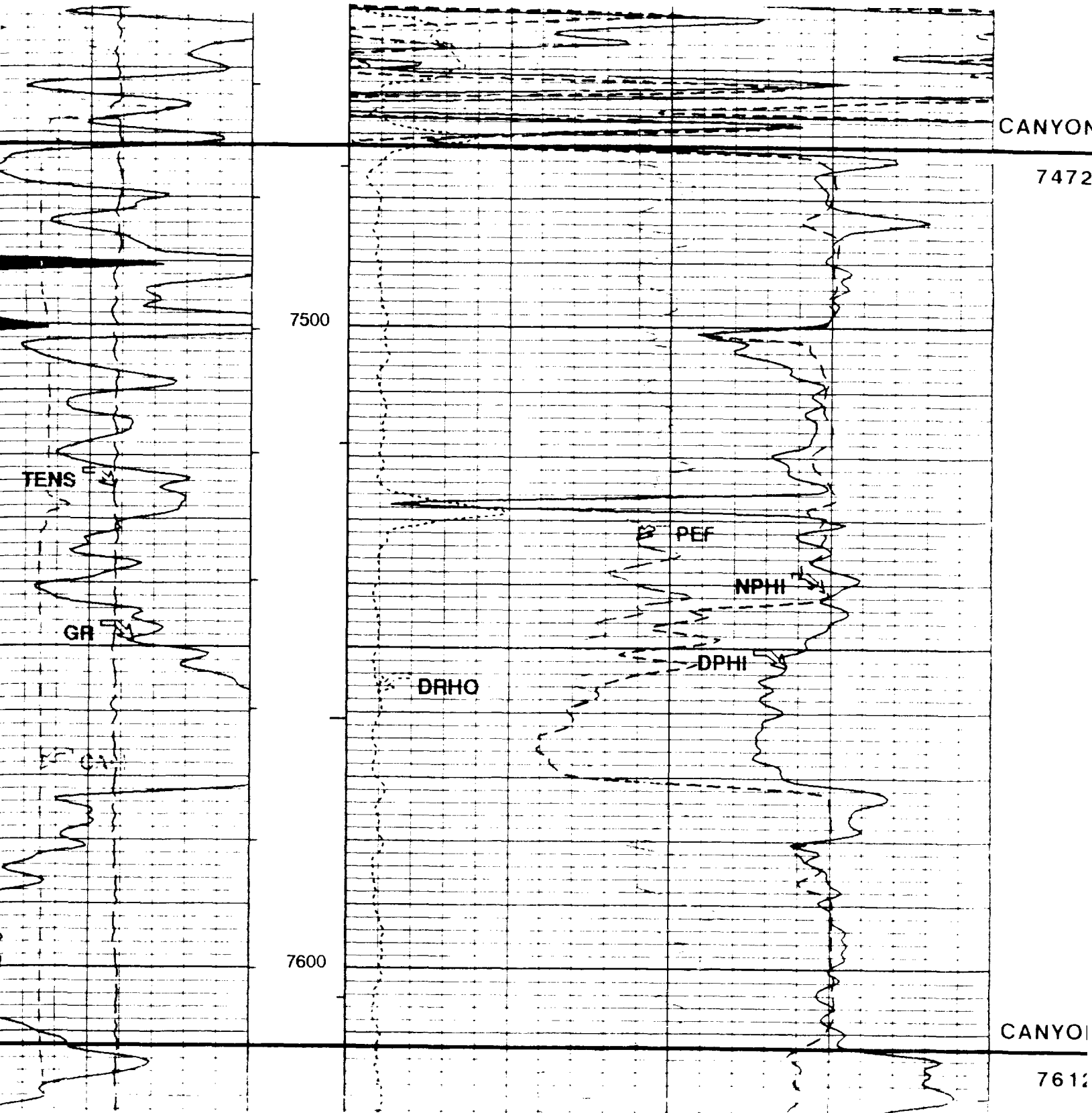
126 DEGF 126

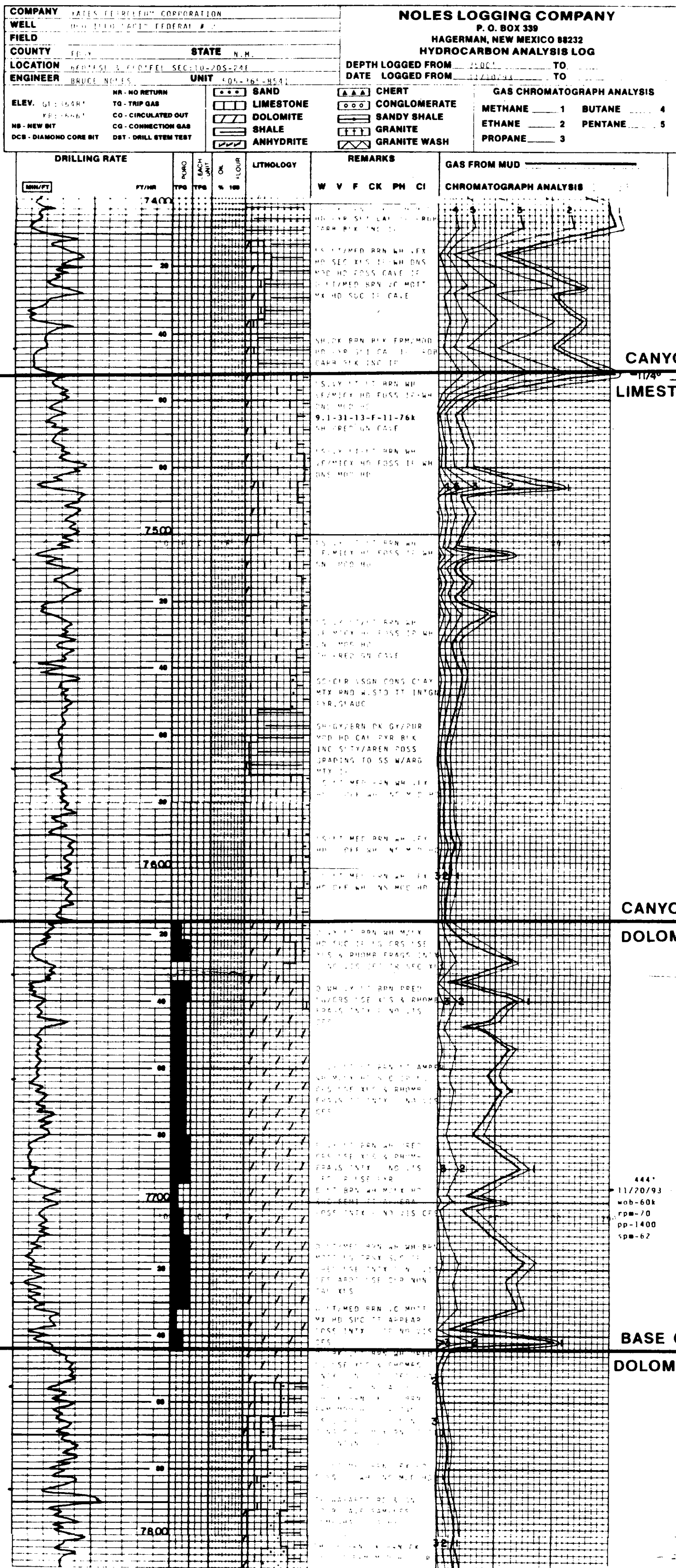
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Time November 21 1993 1000

Time

November 21 1993 See Log





**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case Nos. 10871 and 10875 Exhibit No. 8

Submitted by: Yates Petroleum Corporation

Hearing Date: December 2, 1993