



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



January 5, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

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

Attention: Janet Richardson

Administrative Order DD-73(NSBHL)

Dear Ms. Richardson:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and unorthodox gas well locations (104.F) and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on November 25, 1992, for authorization to directionally drill its proposed Amaranth "AMG" Federal Com Well No. 1, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) and 104.F(3) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 either have been or will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111.F, 104.F(3), and/or R-111-P, Rule G(3).

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Amaranth "AMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of

Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico by kicking off from the vertical and drilling in such a manner as to bottom in the Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of Section 12, being an unorthodox gas well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

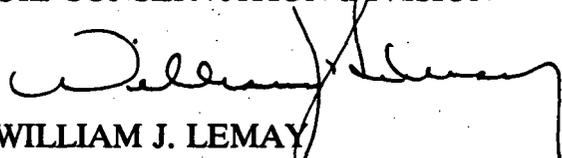
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the Morrow formation.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

cc: Oil Conservation Division - Artesia
U.S. BLM - Carlsbad
File Case No: 10643
William F. Carr - Santa Fe

MEMO TO FILE DD-73 (NSBHL)

Date: 4-23-93

Bill Carr, Attorney for Yates Petroleum Corp. called this date to advise that the subject well was being drilled at this time. Information indicated that the proposed BHL should be changed from the one originally approved. The new BHL will also be non-standard in the Morrow formation but will only be closer to Yates' acreage.

They were asking for verbal approval to change the BHL. Given that the rig was on location drilling and the fact that they were offsetting themselves, I gave them verbal approval to continue drilling.

A handwritten signature in black ink, appearing to read "L. O. Van Ryan". The signature is stylized with a large, looping initial "L" and a cursive "Van Ryan".

L. O. VAN RYAN

dr/

*Example Received 11/25
Return 12/28*

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



RUSIT

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 22, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Enron Oil and Gas Company
P.O. Box 2267
Midland, TX 79702

*Yates Petroleum Corporation
105 South Fourth Street
Ahtesia, NM 88210*

Attention: ~~Betty Gildon~~ *Janet Richardson*

73
Administrative Order DD-~~7~~
(NSBHL)

Dear Ms. ~~Gildon~~ *Richardson*

and unorthodox gas well locations (104.F(3))

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, ~~Enron Oil and Gas Company~~ made application to the New Mexico Oil Conservation Division on ~~October 27~~, 1992, for authorization to directionally drill its proposed ~~James Ranch Unit Well No. 13~~, Eddy County, New Mexico.

Amaranth "AMB" Federal Conn

November 25, 1

Yates Petroleum Corporation

The Division Director Finds That:

and 104.F(3)

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111. ~~Further~~ *104.F(3), and 10-R-111-P, Rule G.(3).*
- (5) A signed waiver from one potash lessee has been submitted by Western Ag-Minerals Company and the other leases have not responded within the required twenty-day period (R-111-P, Rule G.(3)).

Neither have been or

It appears adequate notice to the appropriate party

1984

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1984	PROD	ACCU.	PROD
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NORTHERN NEW MEXICO

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY COUNTIES, OIL SECTION

COUNTY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1984	PROD	ACCU.	PROD
ALAMITO GALLUP	37	318	1038	625	763	683	695	665	684	775	744	761	8120	6400	96480	
ALAMITO GALLUP	84	36	54	57	50	46	55	37	142	101	68	68	798	18874		
ALAMO FARMINGTON	15	15	24	15	20	23	25	9	20	24	5	23	218			
ANARILL GALLUP	82	84	93	23	2	16	17	16	30	16	30	16	369	23436		
ANGELS PEAK GALLUP (ASSOCIATED)	16	15	29	28	26	8	14	27	30	13	42	22	270	51200		
ARMENTA GALLUP	106	19840	20039	18812	17451	16837	15124	14000	15492	15016	20941	20941	530829			
BLAKEE DAKOTA	100	100	100	100	100	100	100	100	100	100	100	100	100	36132		
BLANCO TOCITO, SOUTH	1002	1283	1380	1022	1249	132	1249	132	423	409	557	609	3902977			
BLOOMFIELD FARMINGTON	76	26	50	10	51	30	30	50	70	25	190	126	28363			
BLUE MESA MESAVERDE	482	103	529	436	407	396	375	255	356	275	3614	12099				
BOULDER MANGOS	124	196	169	169	985	642	954	902	583	946	506	141	1793176			
BUENA SUERTE PENN (ABANDONED)	90	78	125	114	110	114	125	102	105	102	117	125	5296			
CHA CHA GALLUP	937	9435	9852	8949	9354	8853	9676	8390	7920	7376	7632	7648	9546151			
CHACO WASH MESAVERDE	178	178	178	178	178	178	178	178	178	178	178	178	23200			
COME PARADUX (ABANDONED)	3573	2901	4344	2706	4003	3334	6640	4759	3535	4261	3712	4727	127987			
COUNSELORES GALLUP-DAKOTA	14016	12388	17174	15027	20183	13884	19253	20077	18587	16656	16478	20112	41747			
CUERVO GALLUP	192	303	291	101	99	324	202	314	261	296	291	80	32391			
CUERVO MESAVERDE	1514	1505	1164	1059	1355	1036	1156	1198	1278	1135	1215	14353	49723			
DEVILS FORK GALLUP (ASSOCIATED)	24176	12500	14400	137114	161785	165407	186708	183301	171595	168860	161944	178099	3069016			
DEVILS FORK MESAVERDE	78	78	78	78	78	78	78	78	78	78	78	78	181757			
ENFERS PUINZ GALLUP DAKOTA	3218	4028	3319	2715	4239	3878	5081	7707	5571	4739	5329	6824	414289			
EAGLE MESA ENTRADA	3232	4470	3776	4403	4403	31780	37350	3871	3678	4021	3360	3954	1065626			
ESCRITO GALLUP (ASSOCIATED)	1476	1405	1333	1374	1374	1374	1374	1374	1374	1374	1374	1374	396896			
FIVE LAKES DAKOTA (ABANDONED)	37	37	37	37	37	37	37	37	37	37	37	37	40847			
FOUR CORNERS PARADUX (ABANDONED)	501	501	501	501	501	501	501	501	501	501	501	501	91945			
FRANCISCAN LAKE MESAVERDE	2881	2400	2269	2246	2462	2540	2464	19932	23830	21950	13012	27560	443303			
MALLEGOS GALLUP (ASSOCIATED)	4839	5712	6186	5300	5479	6388	6388	5312	5815	5648	5890	6429	1978541			

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY COUNTIES, GAS SECTION

COUNTY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1984	PROD	ACCU.	PROD
ALAMITO GALLUP	3228	1989	3797	2796	3452	12848	16122	16378	13454	12620	10646	14634	112164	1586070		
ALAMITO GALLUP	232	276	273	222	338	300	161	237	236	826	861	770	4732			
ALAMO FARMINGTON	2400000	23681654	21911552	19078232	19473007	17881191	22636762	21900710	22529591	2777621	28549101	33946348	282616569	9307867537		
ANARILL GALLUP	108130	13701	11723	9282	89678	17754	86469	90755	89824	12184	12785	15612	1278575	48211715		
ANGELS PEAK GALLUP (ASSOCIATED)	45119	33353	30774	38351	33558	41684	45663	51360	62128	65597	63400	604022				
ARMENTA GALLUP	1041937	1924176	2031429	1703778	2117029	2048873	2104444	2149011	2088747	2101599	2071421	2269712	2421320	199631073		
BLAKEE DAKOTA	100	100	100	100	100	100	100	100	100	100	100	100	100	36132		
BLANCO TOCITO, SOUTH	1002	1283	1380	1022	1249	132	1249	132	423	409	557	609	3902977			
BLOOMFIELD FARMINGTON	76	26	50	10	51	30	30	50	70	25	190	126	28363			
BLUE MESA MESAVERDE	482	103	529	436	407	396	375	255	356	275	3614	12099				
BOULDER MANGOS	124	196	169	169	985	642	954	902	583	946	506	141	1793176			
BUENA SUERTE PENN (ABANDONED)	90	78	125	114	110	114	125	102	105	102	117	125	5296			
CHA CHA GALLUP	937	9435	9852	8949	9354	8853	9676	8390	7920	7376	7632	7648	9546151			
CHACO WASH MESAVERDE	178	178	178	178	178	178	178	178	178	178	178	178	23200			
COME PARADUX (ABANDONED)	3573	2901	4344	2706	4003	3334	6640	4759	3535	4261	3712	4727	127987			
COUNSELORES GALLUP-DAKOTA	14016	12388	17174	15027	20183	13884	19253	20077	18587	16656	16478	20112	41747			
CUERVO GALLUP	192	303	291	101	99	324	202	314	261	296	291	80	32391			
CUERVO MESAVERDE	1514	1505	1164	1059	1355	1036	1156	1198	1278	1135	1215	14353	49723			
DEVILS FORK GALLUP (ASSOCIATED)	24176	12500	14400	137114	161785	165407	186708	183301	171595	168860	161944	178099	3069016			
DEVILS FORK MESAVERDE	78	78	78	78	78	78	78	78	78	78	78	78	181757			
ENFERS PUINZ GALLUP DAKOTA	3218	4028	3319	2715	4239	3878	5081	7707	5571	4739	5329	6824	414289			
EAGLE MESA ENTRADA	3232	4470	3776	4403	4403	31780	37350	3871	3678	4021	3360	3954	1065626			
ESCRITO GALLUP (ASSOCIATED)	1476	1405	1333	1374	1374	1374	1374	1374	1374	1374	1374	1374	396896			
FIVE LAKES DAKOTA (ABANDONED)	37	37	37	37	37	37	37	37	37	37	37	37	40847			
FOUR CORNERS PARADUX (ABANDONED)	501	501	501	501	501	501	501	501	501	501	501	501	91945			
FRANCISCAN LAKE MESAVERDE	2881	2400	2269	2246	2462	2540	2464	19932	23830	21950	13012	27560	443303			
MALLEGOS GALLUP (ASSOCIATED)	4839	5712	6186	5300	5479	6388	6388	5312	5815	5648	5890	6429	1978541			

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY POOLS, OIL POOLS

POOL	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1984	PROD	ACCU.	PROD
ALAMITO GALLUP	37	318	1038	625	763	683	695	665	684	775	744	761	8120	6400	96480	
ALAMITO GALLUP	84	36	54	57	50	46	55	37	142	101	68	68	798	18874		
ALAMO FARMINGTON	15	15	24	15	20	23	25	9	20	24	5	23	218			
ANARILL GALLUP	82	84	93	23	2	16	17	16	30	16	30	16	369	23436		
ANGELS PEAK GALLUP (ASSOCIATED)	16	15	29	28	26	8	14	27	30	13	42	22	270	51200		
ARMENTA GALLUP	106	19840	20039	18812	17451	16837	15124	14000	15492	15016	20941	20941	530829			
BLAKEE DAKOTA	100	100	100	100	100	100	100	100	100	100	100	100	100	36132		
BLANCO TOCITO, SOUTH	1002	1283	1380	1022	1249	132	1249	132	423	409	557	609	3902977			
BLOOMFIELD FARMINGTON	76	26	50	10	51	30	30	50	70	25	190	126	28363			
BLUE MESA MESAVERDE	482	103	529	436	407	396	375	255	356	275	3614	12099				
BOULDER MANGOS	124	196	169	169	985	642	954	902	583	946	506	141	1793176			
BUENA SUERTE PENN (ABANDONED)	90	78	125	114	110	114	125	102	105	102	117	125	5296			
CHA CHA GALLUP	937	9435	9852	8949	9354	8853	9676	8390	7920	7376	7632	7648	9546151			
CHACO WASH MESAVERDE	178	178	178	178	178	178	178	178	178	178	178	178	23200			
COME PARADUX (ABANDONED)	3573	2901	4344	2706	4003	3334	6640	4759	3535	4261	3712	4727	127987			
COUNSELORES GALLUP-DAKOTA	14016	12388	17174	15027	20183	13884	19253	20077	18587	16656	16478	20112	41747			

May 21, 1991

Attention: _____

Administrative Order DD-_____

Dear _____:

Under the provisions of General Rule 111 (c), (d) and (e), _____
made application to the New Mexico Oil Conservation Division on
_____, for authorization to directionally drill its proposed
_____, _____ County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Ammonia "DMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical at a depth of approximately ~~_____~~ feet, and drilling in such a manner as to bottom in the ~~_____~~ at a standard ~~_____~~ well location within the ~~_____~~ of said Section ~~_____~~ forming a standard ~~_____~~ -acre ~~_____~~ spacing and proration unit for said pool.

Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line of Section 12, being a standard 9 1/2 acre well location for said formation. (Unit F)

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artura district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Albany offices of the Division upon completion.

Administrative Order DD-*
May 21, 1991
Page No. 3

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320 -acre acre spacing and proration unit for the ~~subject~~ pool. Morrow formation.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

SEAL

cc: Oil Conservation Division - Artesia

USBRM - Carlsbad

Case File: 10843

William F Carr - Artesia

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



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

OIL CONSERVATION DIVISION
RECEIVED
92 DEC 18 AM 9 20
S. P. YATES
CHAIRMAN OF THE BOARD
DINA YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 16, 1992

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Michael E. Stogner

Re: Administrative Application for Directional
Drilling - Amaranth 'AMG' Federal Com.
Well No. 1, W/2 of Sec. 12, T20S-R30E
Eddy County, New Mexico

Dear Mr. Stogner:

Per your letter of December 10, 1992, enclosed is a copy of the federal Application for Permit to Drill the Amaranth 'AMG' Fed. Com. #1 well.

The requested bottom-hole location of the Amaranth 'AMG' Fed. Com. #1 well is unorthodox due to the trajectory calculated to drill orthodox locations in the Strawn and Morrow formations.

If you need any further information, please let me know.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
Landman

JR/rab
enclosures

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT CONSERVATION DIVISION**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
DEC 18 AM 9 20 '92

5. LEASE DESIGNATION AND SERIAL NO.
NM-54298

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Amaranth "AMG" Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 12-T20S-R30E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1310' FNL and 2630' FEL
At proposed prod. zone
2449' FNL and 1512' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 25 miles NE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
1512'

16. NO. OF ACRES IN LEASE
280

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
12,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3322' GR

22. APPROX. DATE WORK WILL START*
ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	94# J-55	425'	375 sacks - circulated
17 1/2"	13 3/8"	54.5# J-55	1550'	925 sacks - circulated
12 1/4"	8 5/8"	32# J-55	3100'	700 sacks - circulated
7 7/8"	5 1/2"	17# N-80	TD	600 sacks circulate to 9800'

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 425' of surface casing will be set and cement circulated to shut off gravel and cavings. Intermediate casing will be set to 1550' and circulated and to 3100' and circulated. If commercial, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel, paper to 425'; Brine to 1550'; FW to 3200'; Cut Brine to 9700'; Brine to 10,600; XCD Drispak, Starch to TD.

BOP PROGRAM: BOP's and hydril will be installed on the 8 5/8" casing and tested daily.

GAS NOT DEDICATED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ken Burdette TITLE Landman DATE 12-11-92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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

*See Instructions On Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

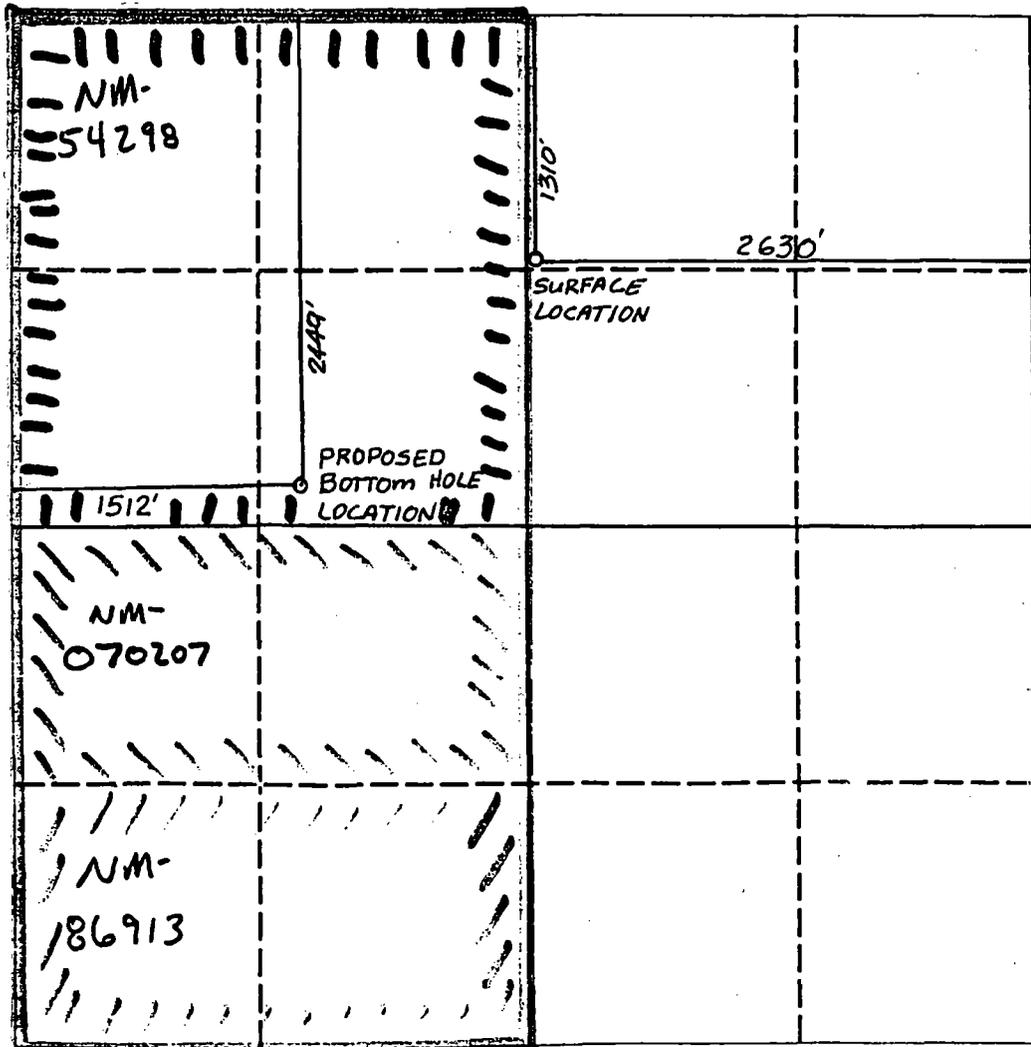
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease AMARANTH AMG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County NMPM EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and		2630 feet from the EAST line			
Ground level Elev. 3322.	Producing Formation Morrow	Pool Wildcat Morrow	Dedicated Acreage: 320 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation Communitization
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: *Ken Beardseph*

Printed Name: **Ken Beardseph**

Position: **landman**

Company: **Yates Pet. Corp.**

Date: **11-30-92**

SURVEYOR CERTIFICATION

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 knowledge and belief.

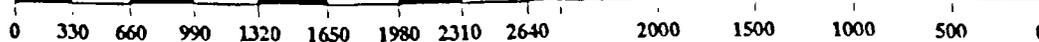
Date Surveyed: **NOVEMBER 20, 1992**

Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No. **5412**

REGISTERED PROFESSIONAL ENGINEER

NM PE&S 5412



YATES PETROLEUM CORPORATION
Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico
DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Rustler Anhydrite	300'
Salado	600'
Tansill	1,515'
Yates	1,640'
Delaware	4,185'
Bone Spring	6,645'
KOP	8,050'
3rd BS Sandstone TVD	9,465'
MD	9,500'
Wolfcamp lime TVD	10,072'
MD	10,150'
Upper Strawn Marker TVD	10,970'
MD	11,125'
Strawn TVD	11,035'
MD	11,200'
Atoka lime TVD	11,495'
MD	11,700'
Morrow Clastics TVD	11,945'
MD	12,185'
Lower Morrow TVD	12,270'
MD	12,550'
Austin Cycle TVD	12,450'
MD	12,730'
PTVD TD	12,600'
MD TD	12,900'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water: Approximately 350'
Gas: All potential zones

3: PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

A. The Blow-Out Preventor will be equipped as follows:

1. One (1) blind ram
2. One (1) pipe ram
3. Kill line (3-inch minimum)
4. One (1) kill line valve (3-inch minimum)
5. One (1) choke line valve
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available
8. Safety valves & subs to fill all drill strings in use
9. 3-inch (minimum) choke line
10. Fill-up line above the upper most preventor

B. Pressure Rating: 3,000 PSI

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
26"	20"	94#	J-55	8R	ST&C	0 - 425'	425'
17 1/2"	13 3/8"	54.5#	J-55	8R	ST&C	0 - 350'	350'
12 1/4"	9 5/8"	36#	J-55	8R	ST&C	0 - 2650'	2650'
7 7/8"	5 1/2"	17#	N-80	8R	LT&C	0 - TD	13,100'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
2. 8 5/8" casing to be set if lost circulation is encountered.

B. CEMENTING PROGRAM:

Surface Casing: Lead slurry 375 sx Lite "C" 1/4# Cellocel + 2% CaCl₂ with weight of 12.4 ppg and Yield 1.87 cu.ft./sx. Circulate to surface.

Intermediate Casing on 3 3/8" casing: Lead slurry 925 sx Lite "C" with 1/4# Cellocel, 10# salt with weight of 12.4 ppg and Yield of 2.03 cu.ft./sx tail with 200 sx "Class C" with 2% CaCl₂ on 8 5/8" casing lead slurry 700 sx "Lite C" with 1/4# Cellocel, 5# Gilonite, 2% CaCl₂ with weight of 12.4 ppg and Yield of 1.97 cu.ft./sx tail slurry 200 sx "c" with 1% CaCl₂.

Production Casing: Will be cemented in 3 stages as follows:

Cement Program: Lead Slurry 600 sacks "h" with 8# CSE .89, CF-14, .35% LWL, .35% Thrifty lite. Cement calculated to 9800'. Weight of 14.0 ppg and yield of 1.59 cu.ft./sack. D.V. Tool at approximately 9800'.

2nd stage: D.V. Tool at approximately 6400'. Lead Slurry 525 sacks "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 200 sx Class "H" w/7% CF-14 with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 6400'.

3rd stage: Lead Slurry 600 sx "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 100 sx "H" neat with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 3400'. (500' tie back to 8 5/8" casing.)

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbon zones are cemented off. Fill-up to be determined from logs.

5. MUD PROGRAM:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 - 425'	FW gel/paper	9.0	34	N/C
425' - 1550'	Brine	10.0	28	N/C
1550' - 3200'	FW	8.4	28	N/C
3200' - 9700'	Cut Brine	8.7	28	N/C
9700' - 10,600'	Brine	10.0	28	N/C
10,600' - TD	XCD, Drispak, Starch	9.5	33	12 CC

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations. Mud will be checked tourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: Every 10' out from under surface casing.

Logging: CNL/LDT - TD to casing with CNL/GR 5" to surface; DLL/MSFL, TD to casing; LSS, TD to surface; possible intermediate logs 4000' to 1550' - CNL/LDT, DLL/MSFL.

Coring: As warranted.

DST's: As warranted

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H2S anticipated.

8. ANTICIPATED STARTING DATES

Plans are to drill this well before the end of the year. It should take approximately 55 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 25 miles northeast of Carlsbad, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad on Highway 62-180 for approximately 15 miles to Bluestem Road (360). Then approximately 5 miles to Shugart Road (222) and turn south on caliche road approximately 3 miles. Follow caliche road approximately .8 of a mile to a two tract road going to the west. New road starts here following the two tract road most of the way to location.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 9300' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northeast to southwest direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both side. Some traffic turnout will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. A local water trucking firm will be contracted to furnish the water. They will provide the water obtaining it from whatever sources available to them at their discretion. It will be trucked to the location over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. The dirt contractor will get the caliche from the closest source to well and take care of payment to owner.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level when dry.

11. SURFACE OWNERSHIP: Bureau of Land Management, Carlsbad, New Mexico

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

Ken Beardemphl, Landman
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

B. Through Drilling Operations,
Completions and Production:

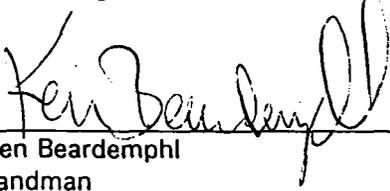
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

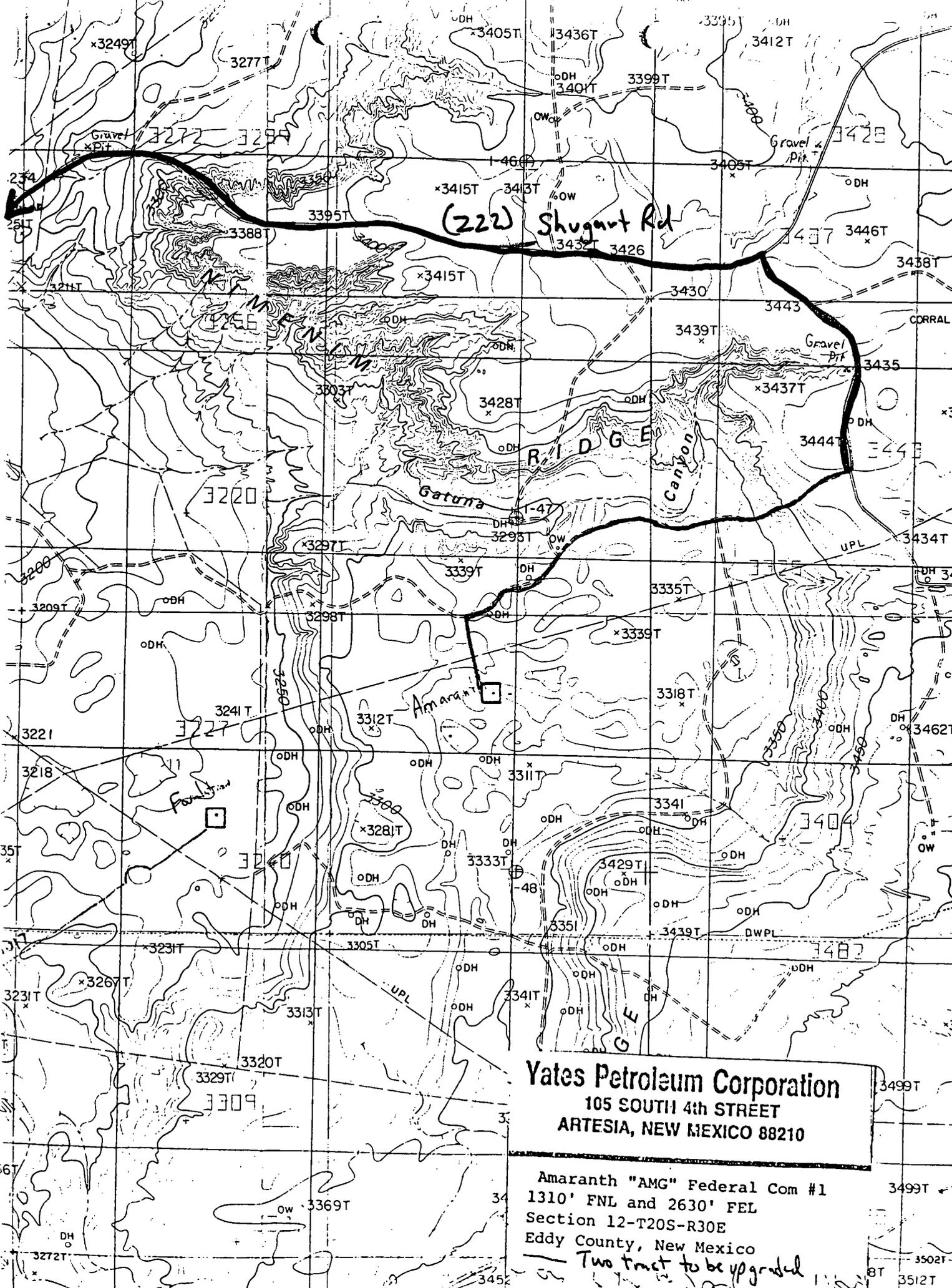
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

12-14-92

Date



Ken Beardemphl
Landman

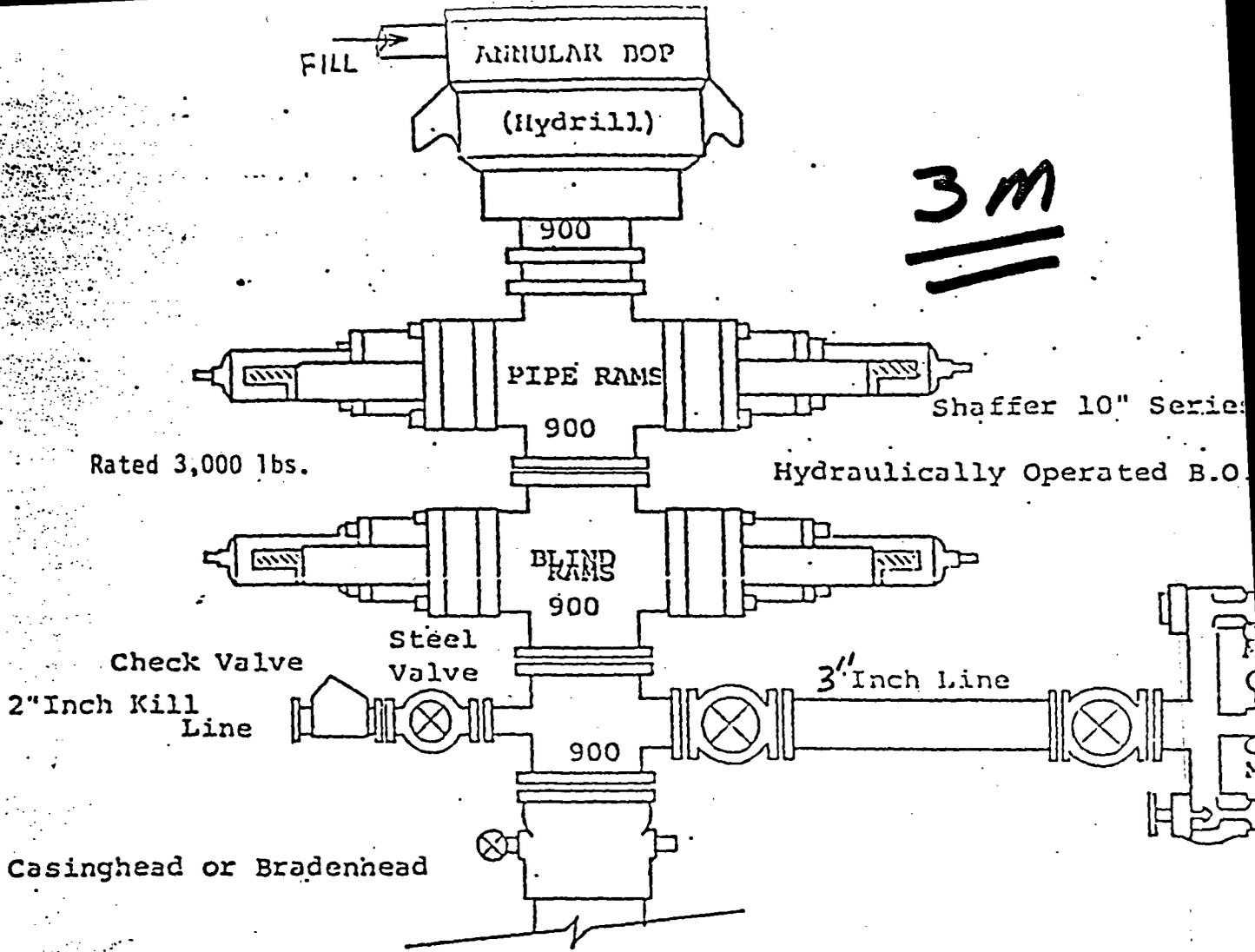


(222) Shugart Rd

Yates Petroleum Corporation
 105 SOUTH 4th STREET
 ARTESIA, NEW MEXICO 88210

Amaranth "AMG" Federal Com #1
 1310' FNL and 2630' FEL
 Section 12-T20S-R30E
 Eddy County, New Mexico

Two tracts to be upgraded
 Exhibit A

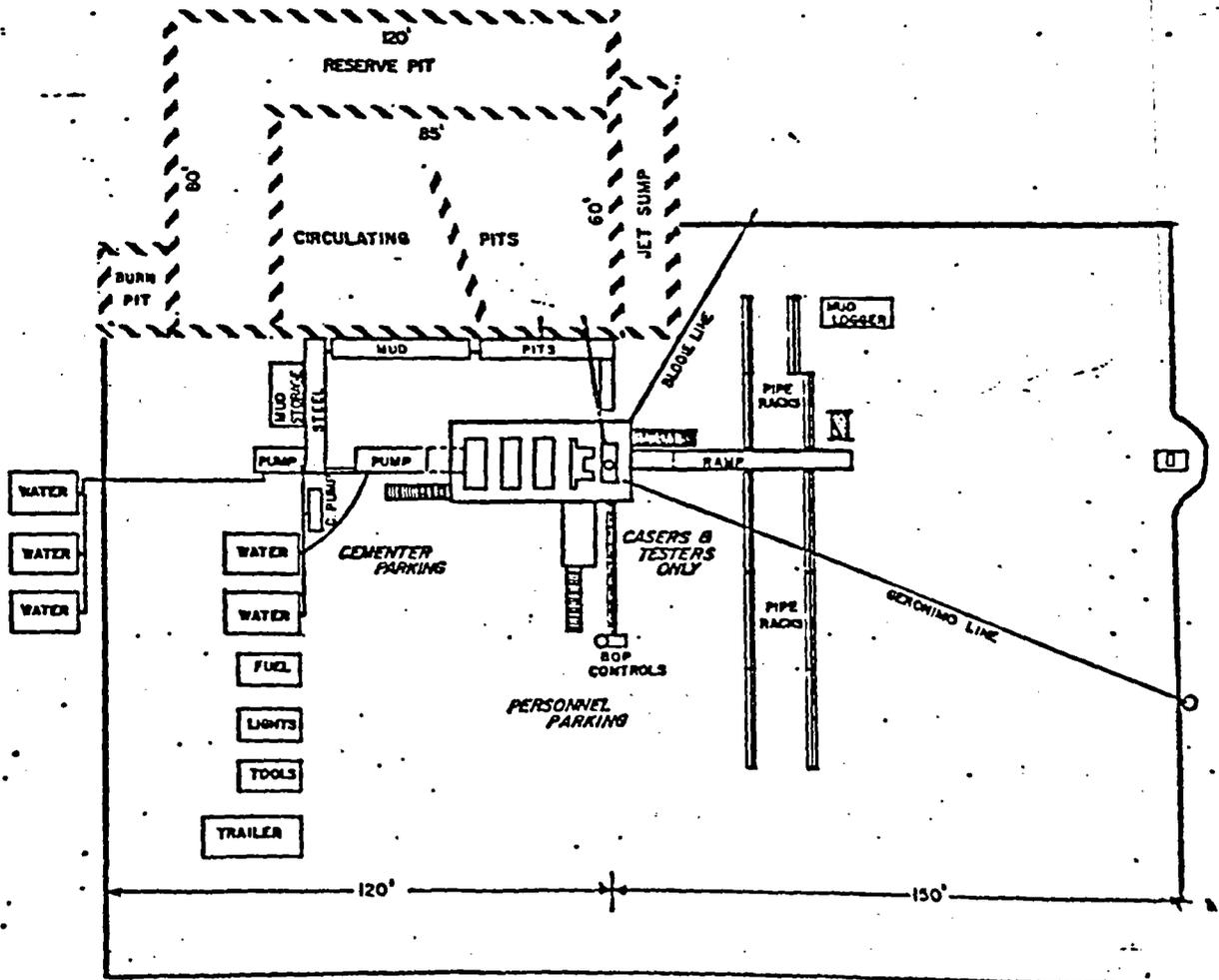


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual operation installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel pipe or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equal to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT
B

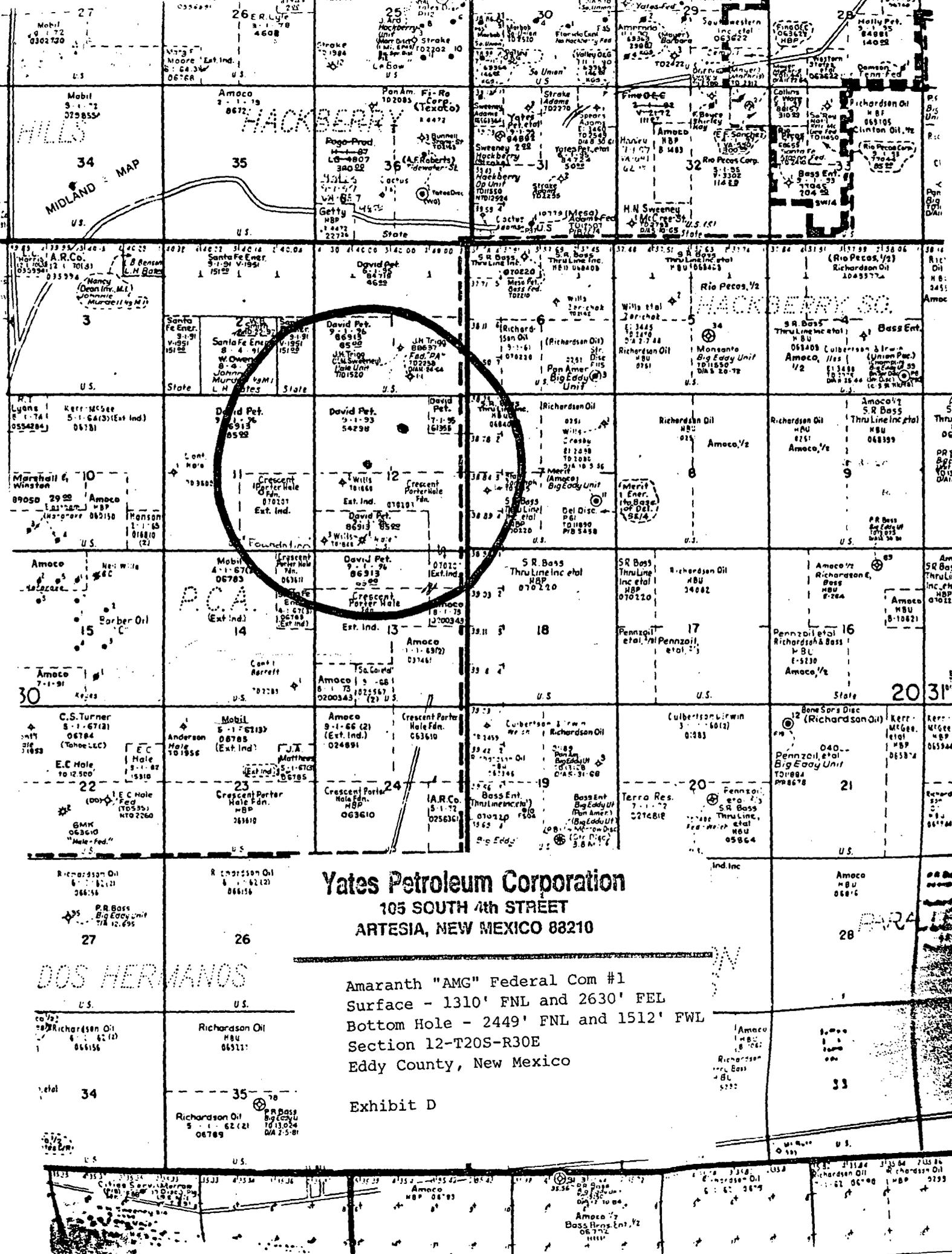
YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT

Scale: 1 inch = 50 feet

Exhibit C



Yates Petroleum Corporation
 105 SOUTH 4th STREET
 ARTESIA, NEW MEXICO 88210

Amaranth "AMG" Federal Com #1
 Surface - 1310' FNL and 2630' FEL
 Bottom Hole - 2449' FNL and 1512' FWL
 Section 12-T20S-R30E
 Eddy County, New Mexico

Exhibit D

PARA



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 11, 1992

Yates Petroleum Corporation
c/o William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

*RE: Case No. 10643. Application of Yates
Petroleum Corporation for Directional
Drilling, Eddy County, New Mexico.*

Dear Mr. Carr:

The subject application will be re-advertised for the January 7, 1993 Examiner Hearing to cover the unorthodox bottom-hole location for the proposed Amaranth "AMG" Federal Com Well No. 1, (see General Rule 104.D(1)(a)). I apologize this was not corrected when the original application was received.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer

MES/amg

cc: Case File: 10643



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 10, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Company
105 South Fourth Street
Artesia, NM 88210

Attention: Janet Richardson

**RE: *Administrative Application for Directional Drilling -
Amaranth "AMG" Federal Com Well No. 1, W/2
of Section 12, Township 20 South, Range 30 East,
NMPM, Eddy County.***

Dear Ms. Richardson:

So that I may process the subject application accordingly, please submit a copy of the Federal APD form for this well. Also, since the requested bottom-hole location is unorthodox, pursuant to General Rule 104.B(1)(a), please provide me a detailed explanation so that this issue can be addressed in the same order.

Should you have any questions or comments pertaining to this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: William F. Carr - Santa Fe
File: Case No. 10643

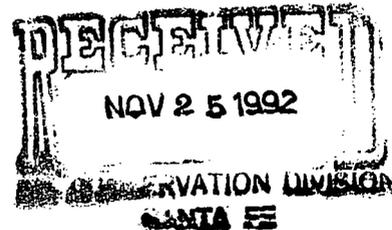
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

November 23, 1992



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally
Drill the Yates Petroleum Corporation Amaranth
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool,
Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Janet Richardson".

Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

SURFACE OWNER:

Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
5th Floor
Midland, Texas 79701

Amoco Production Co.
P. O. Box 3092
Houston, Texas 77253

Scope, Ind.
E. A. Culbertson
Wallace W. Irwin
P. O. Box 1071
Midland, Texas 79701

David Petroleum Corporation
116 West First
Roswell, New Mexico 88201

Crescent Porter Hale Foundation
c/o Ballard Exploration Company, Inc.
1705 First City National Bank Building
1021 Main Street
Houston, Texas 77002

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

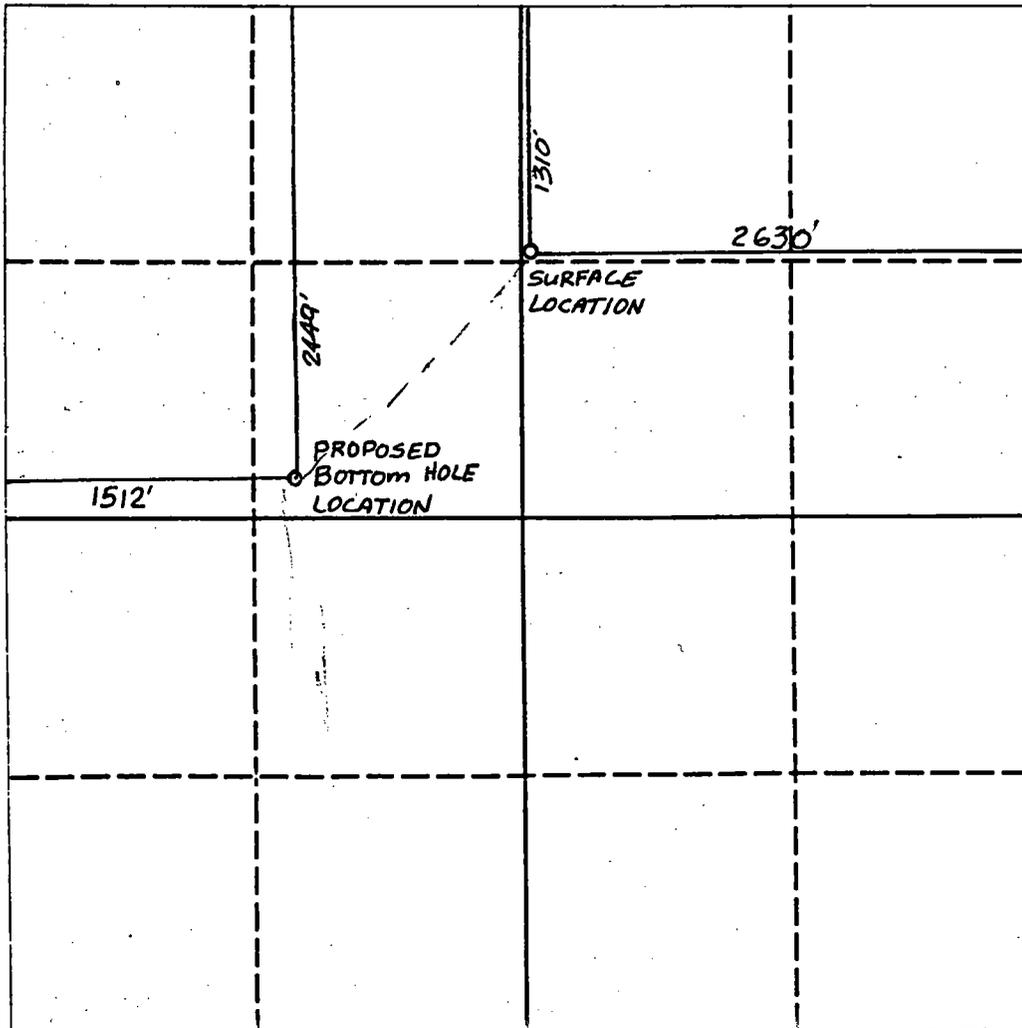
Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM			Well No. 1		
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM				
Actual Footage Location of Well: SURFACE LOCATION 1310 feet from the NORTH line and 2630 feet from the EAST line								
Ground level Elev. 3322.	Producing Formation			Pool	Dedicated Acreage: Acres			

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Position _____

Company _____

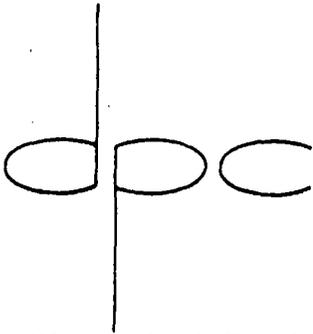
Date _____

SURVEYOR CERTIFICATION
 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 knowledge and belief.

Date Surveyed
NOVEMBER 20, 1992

Signature & Seal of Professional Surveyor

Certificate No. _____



October 2, 1990

RECEIVED
NOV 17 1992

Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-111-P provides that a deep well shall be drilled no closer than one-half (1/2) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: Randy Foote
Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201

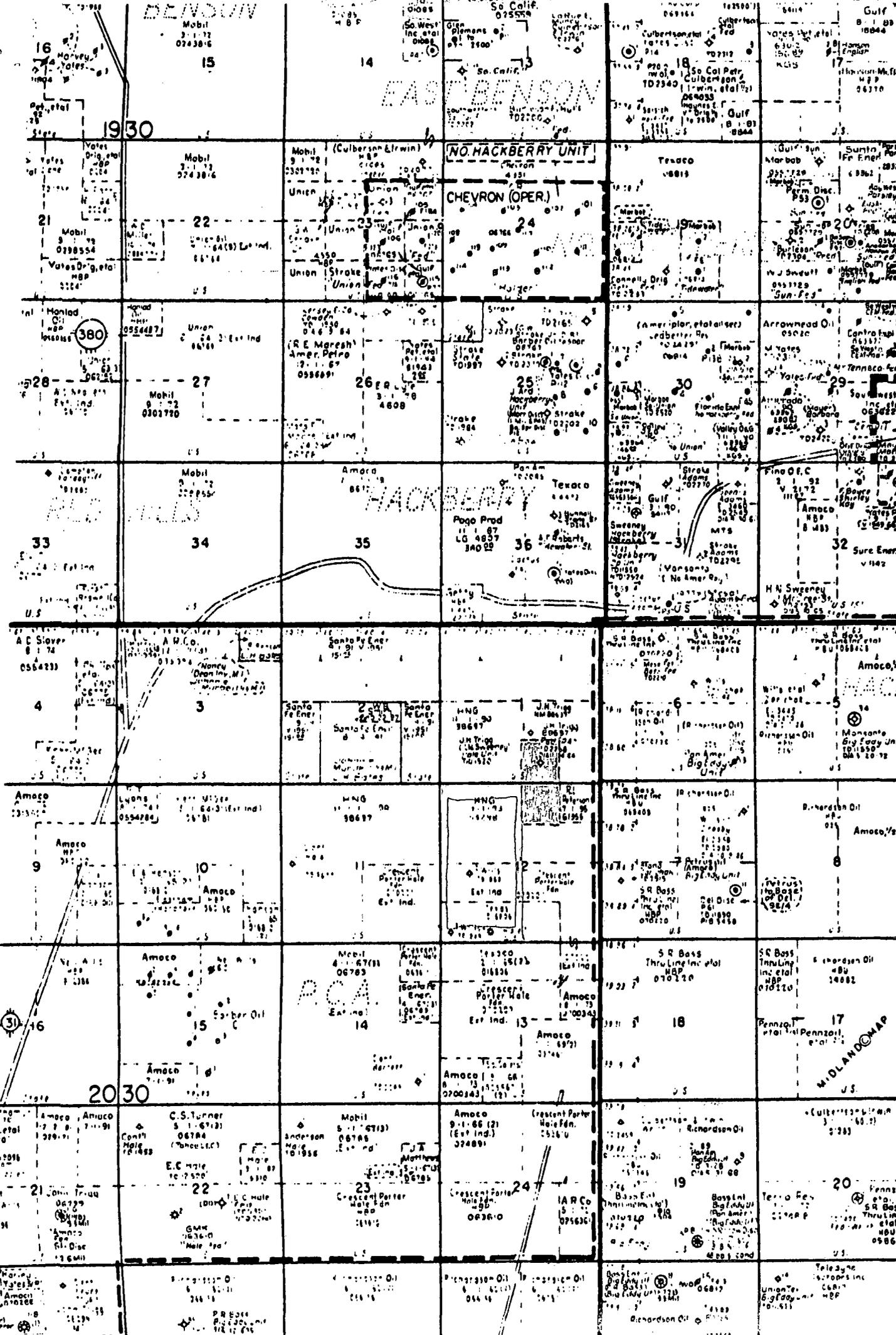
EAST BRANSON

EAST BRANSON

NO HACKBERRY UNIT

CHEVRON (OPER.)

HACKBERRY



1930

33

34

35

36

32

4

3

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MIDLAND

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

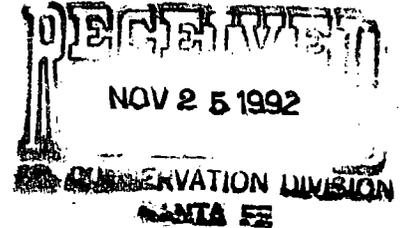


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 23, 1992

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally
Drill the Yates Petroleum Corporation Amaranth
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool,
Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

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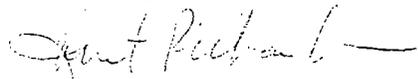
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attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,



Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

SURFACE OWNER:

Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
5th Floor
Midland, Texas 79701

Amoco Production Co.
P. O. Box 3092
Houston, Texas 77253

Scope, Ind.
E. A. Culbertson
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116 West First
Roswell, New Mexico 88201

Crescent Porter Hale Foundation
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1705 First City National Bank Building
1021 Main Street
Houston, Texas 77002

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

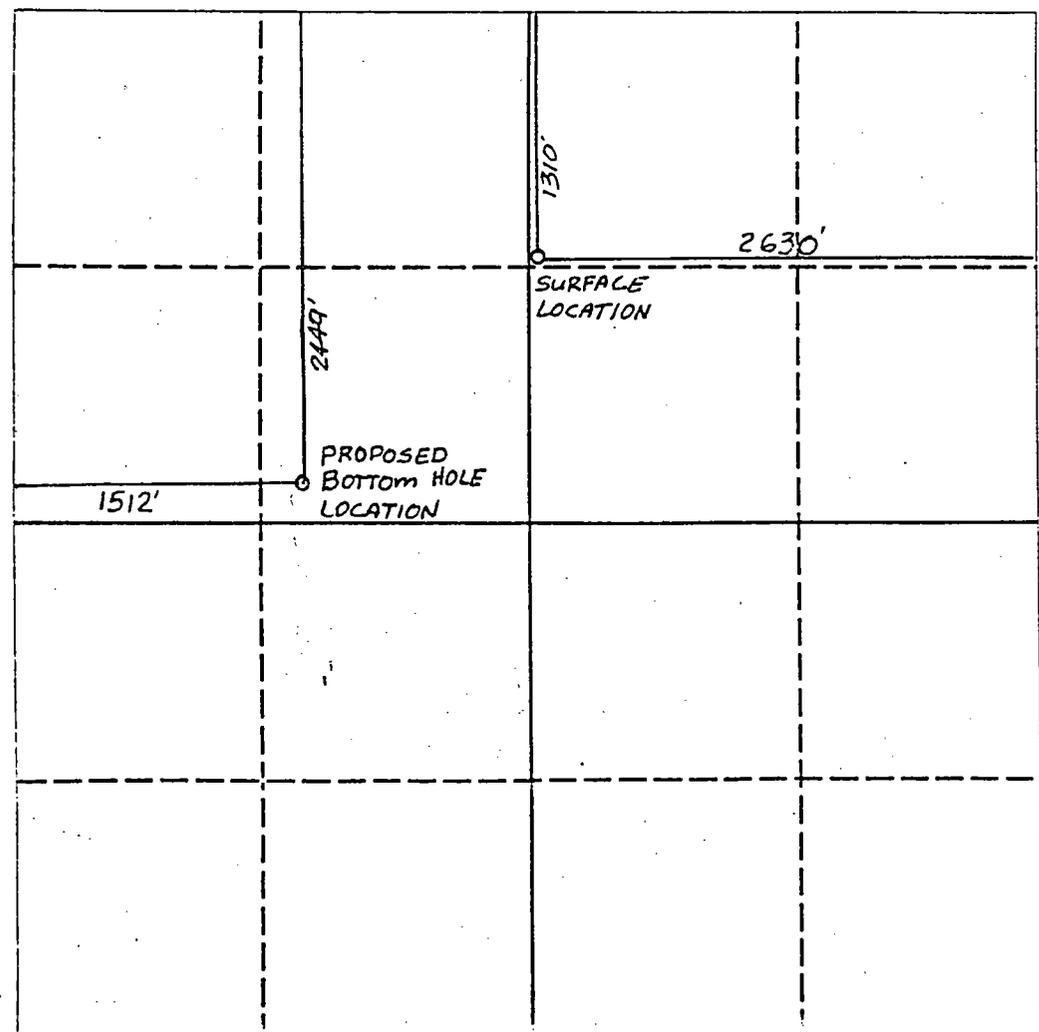
Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County NMPM EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION 1310 feet from the NORTH line and 2630 feet from the EAST line					
Ground level Elev. 3322.	Producing Formation		Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Position _____

Company _____

Date _____

SURVEYOR CERTIFICATION

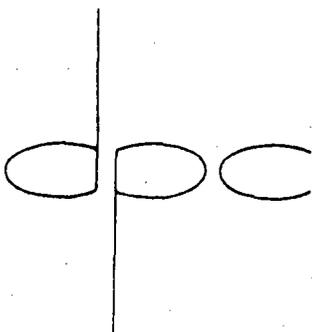
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **NOVEMBER 20 OF 1992**

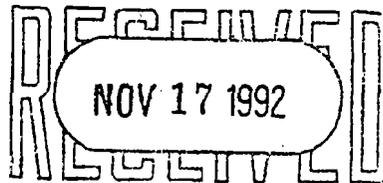
Signature & Seal of Professional Surveyor _____

NEW MEXICO
 REGISTERED PROFESSIONAL SURVEYOR
 5412
 ENGINEER

Certificate No. _____



October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-111-P provides that a deep well shall be drilled no closer than one-half ($\frac{1}{2}$) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

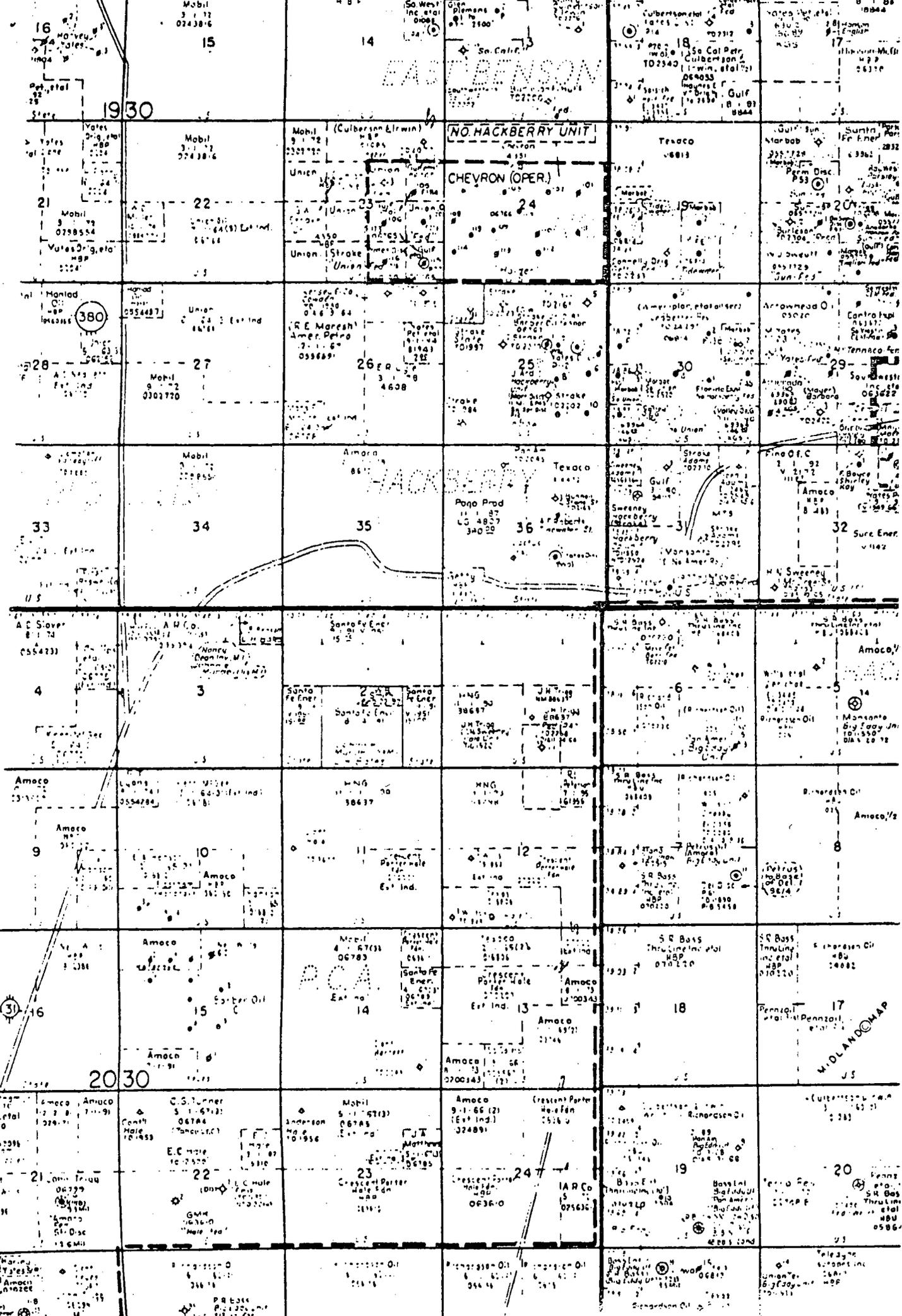
Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: Randy Foote
Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201



1930

EAST DENVER

NO HACKBERRY UNIT

CHEVRON (OPER.)

HACKBERRY

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MIDLAND MAP

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

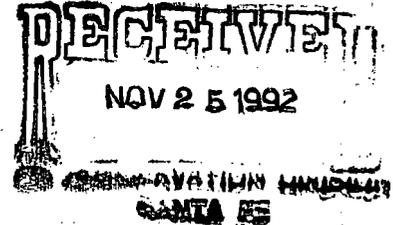


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

November 23, 1992

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



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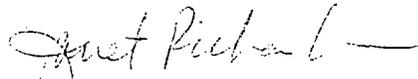
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Janet Richardson
Landman

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Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

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Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
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Amoco Production Co.
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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P.O. Drawer DD, Artesia, NM 88210

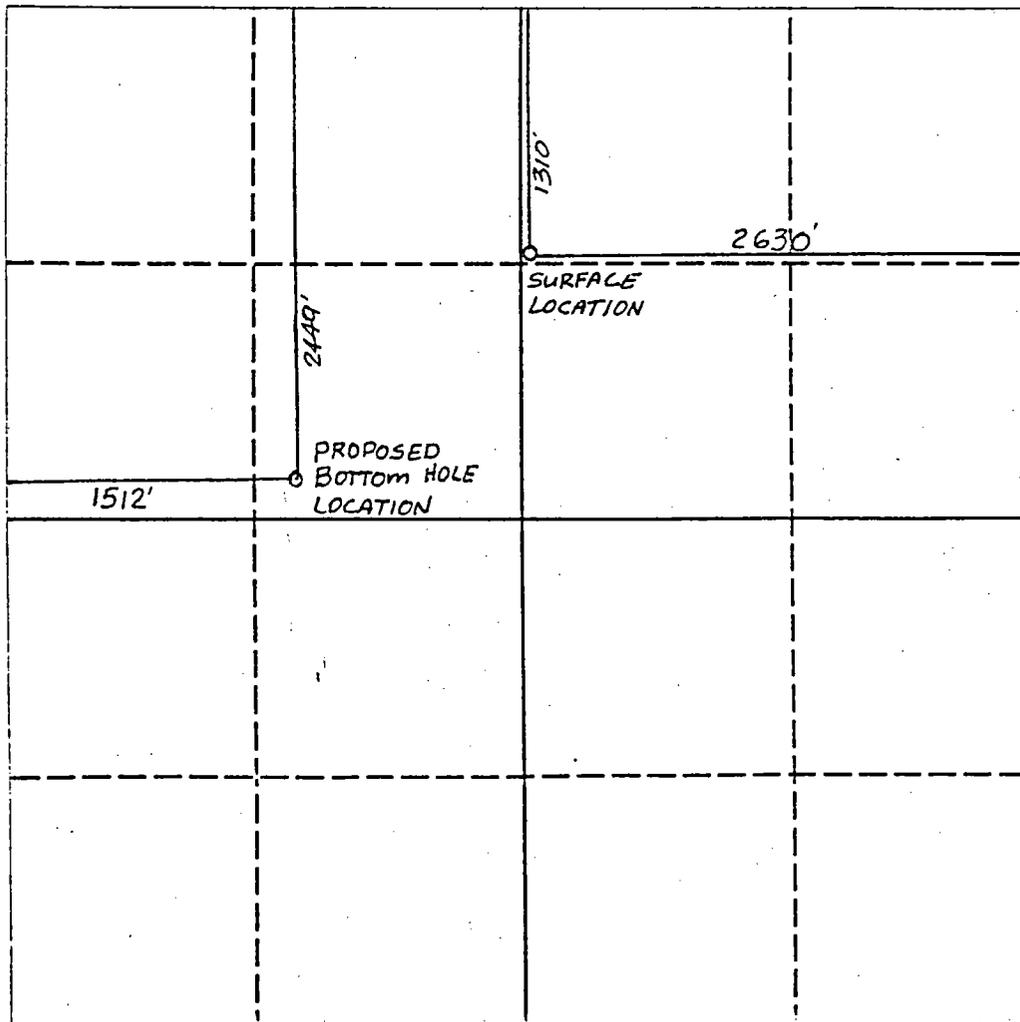
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM		NMPM		
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Signature _____

Printed Name _____

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Company _____

Date _____

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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 knowledge and belief.

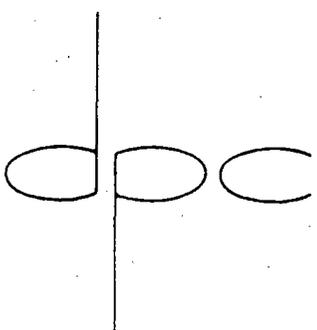
Date Surveyed **NOVEMBER 20, 1999**

Signature & Seal of Professional Surveyor _____

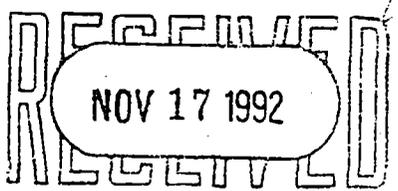
5412

REGISTERED PROFESSIONAL SURVEYOR ENGINEER

Certificate No. _____



October 2, 1990



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P.O. Box 1010
Carlsbad, New Mexico 88220

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Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

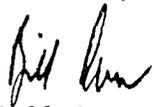
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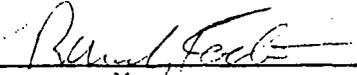
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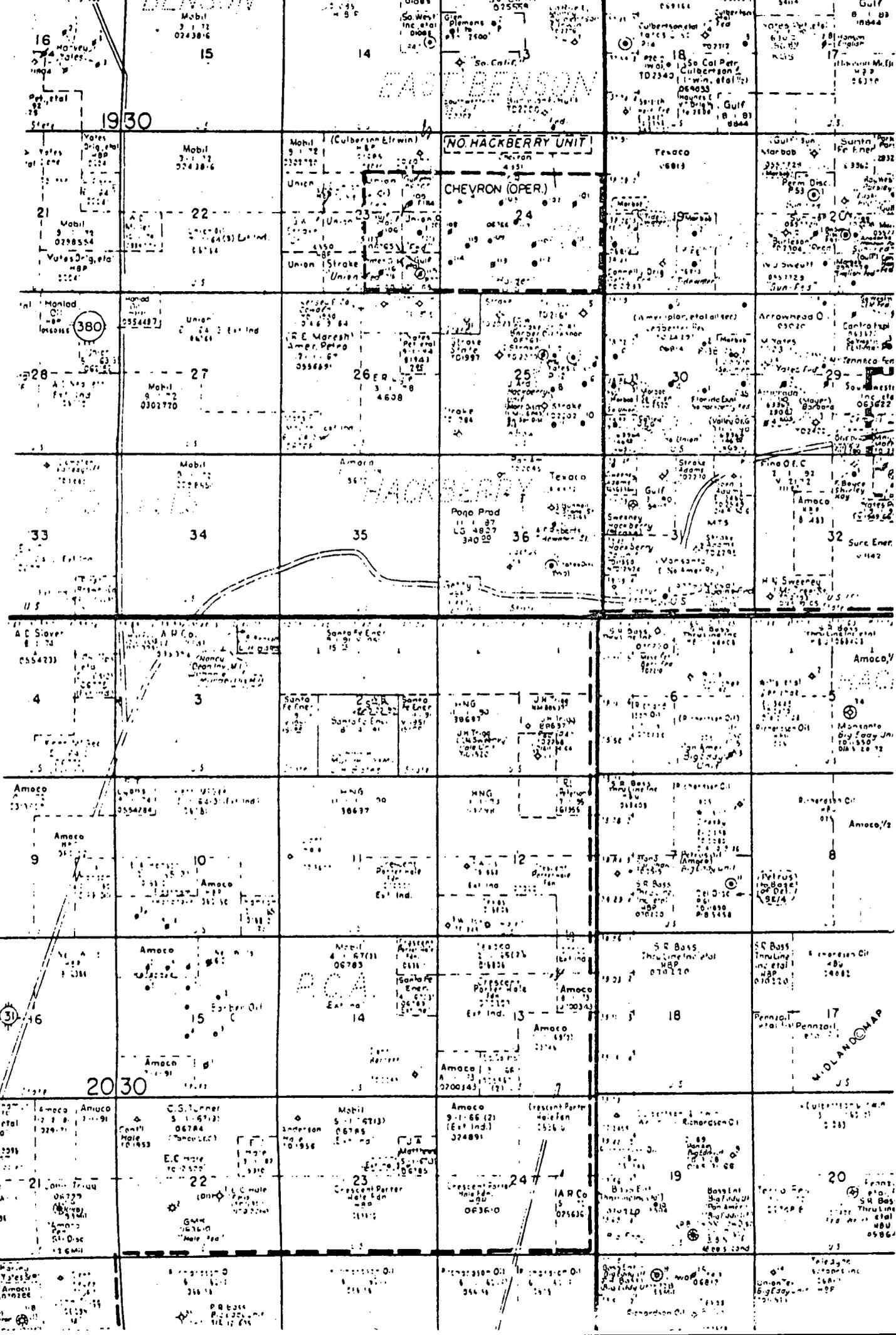
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Bill Owen

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Mississippi Chemical Corporation
By: 
Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201



1930

NO HACKBERRY UNIT

CHEVRON (OPER.)

HACKBERRY

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MIDLAND @ MAP

MARTIN YATES, III
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105 SOUTH FOURTH STREET
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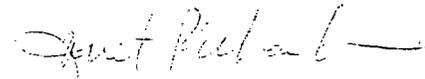
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Form C-102
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OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

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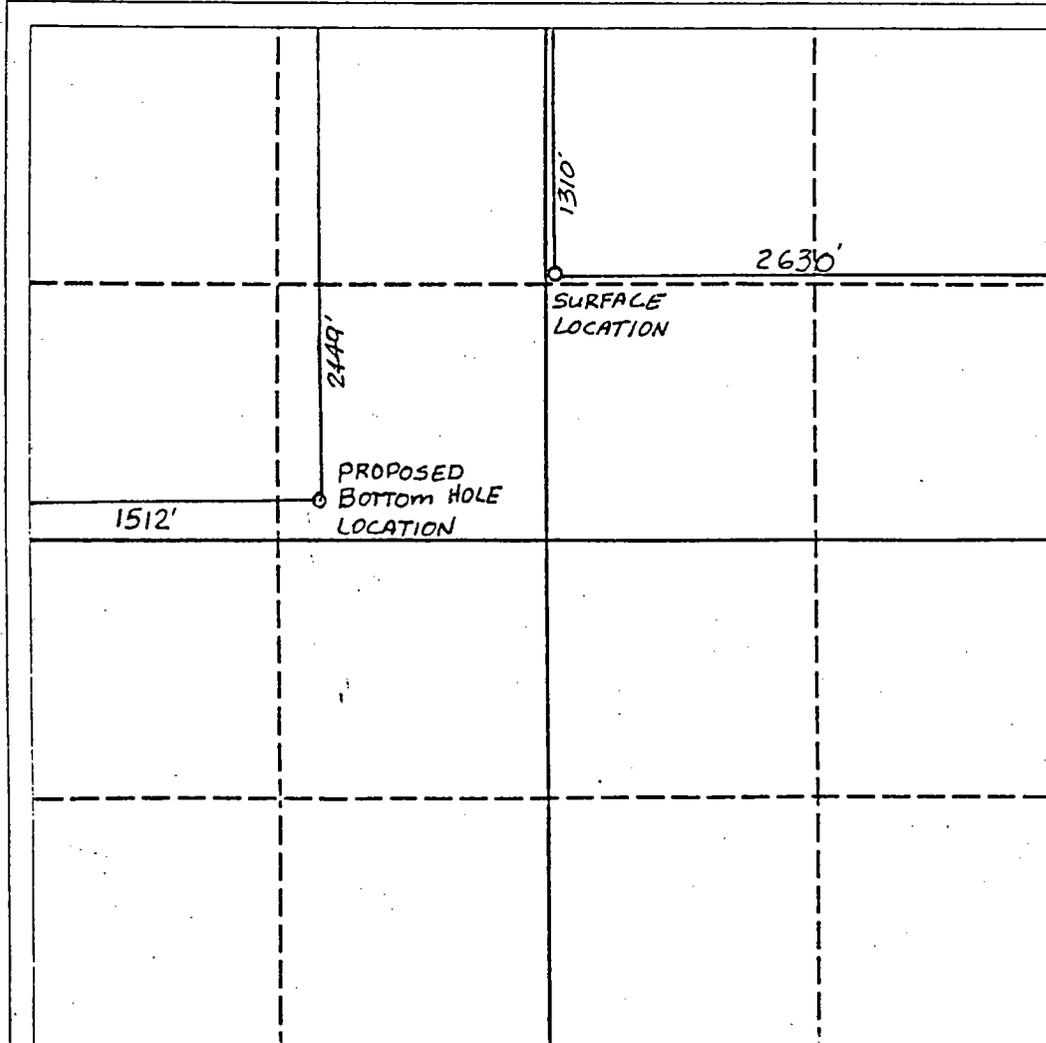
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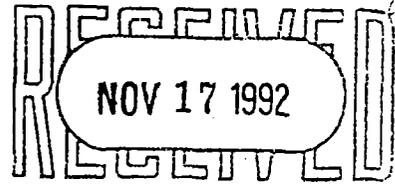
Signature _____
 Printed Name _____
 Position _____
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 Date _____

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Date Surveyed **NOVEMBER 20, 1993**
 Signature & Seal of Professional Surveyor

 Certificate No. _____

October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

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Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Owen".

Bill Owen

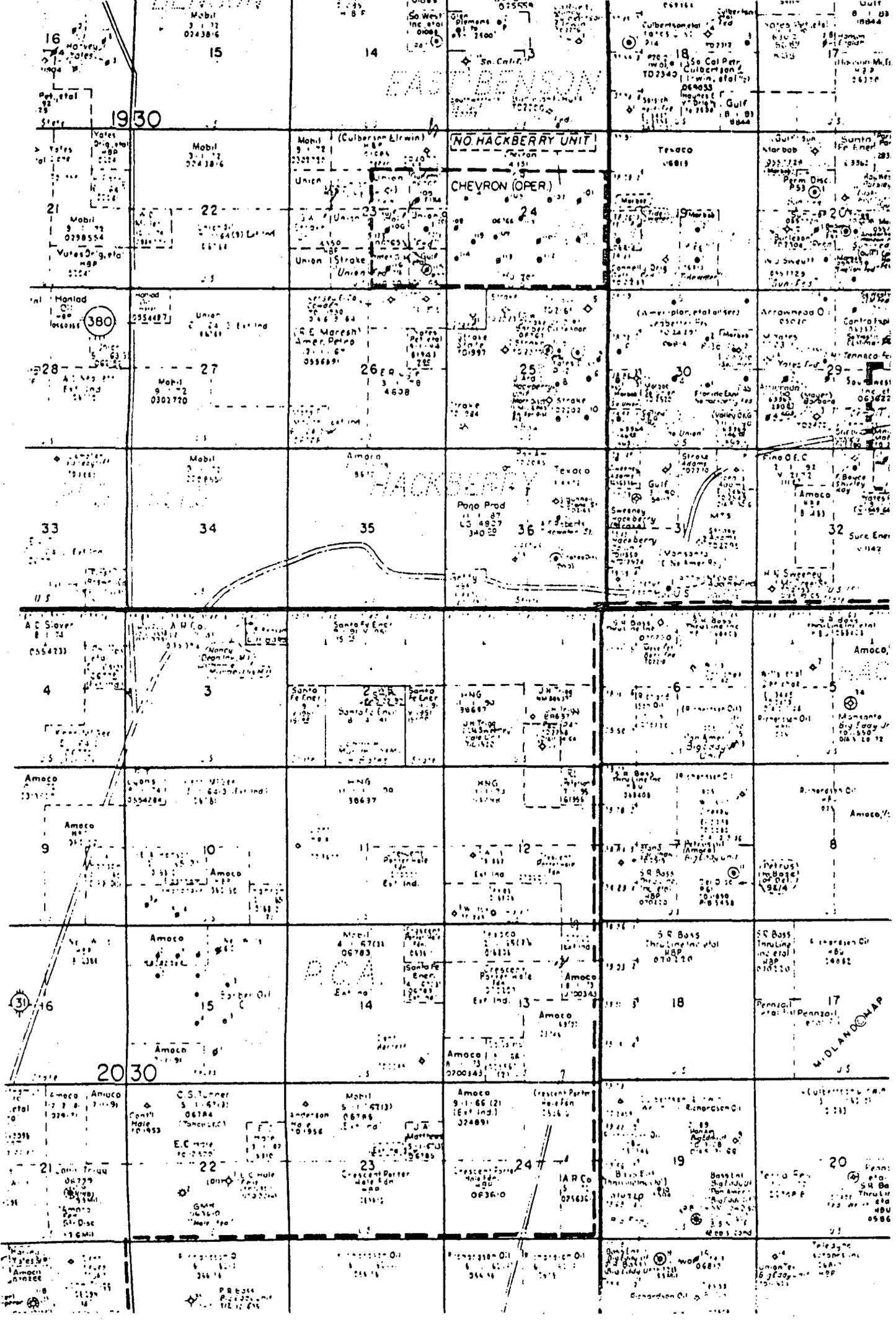
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Mississippi Chemical Corporation

By: Randy Foote

Company Manager

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EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
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EAST TEXAS

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CHEVRON (OPER)

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380

MIDLAND MAP

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2030

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