



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.

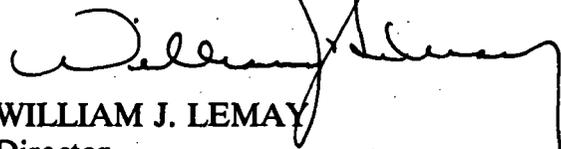
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(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 fluid and cursive, with a large initial "L" and "O" that are connected to the rest of the name.

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
Alicia, 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. 23~~, 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 ACCUM. PROD

NORTHERN NEW MEXICO

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY COUNTIES, OIL SECTION

Table with columns for months (JAN-DEC) and rows for counties: MCKINLEY, RIO ARriba, SANDOVAL, SAN JUAN. Includes production data for oil.

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY COUNTIES, GAS SECTION

Table with columns for months (JAN-DEC) and rows for counties: MCKINLEY, RIO ARriba, SANDOVAL, SAN JUAN. Includes production data for gas.

Table with columns for months (JAN-DEC) and rows for counties: RIO ARriba, SANDOVAL, SAN JUAN, NORTHERN NEW MEXICO OIL PRODUCTION TOTAL, NORTHERN NEW MEXICO GAS PRODUCTION TOTAL. Includes production data for oil and gas.

MONTHLY, ANNUAL AND CUMULATIVE PRODUCTION BY POOLS, OIL POOLS

Large table with columns for months (JAN-DEC) and rows for various oil pools: AKAH NEZ DEVONIAN, ALAMITO GALLUP, ALAMITO GALLUP, ALAMO FARMINGTON, ANARILLO GALLUP, ANGELS PEAK GALLUP, ARMENTA GALLUP, BISTY LONE HORN GALLUP, BLACKKEYE LAVERDE, BLACKKEYE DAKOTA, BLANCO TOCITO, SOUTH, BLOOMFIELD FARMINGTON, BLUE MESA MESAVERDE, BOULDER MANCOS, BUENA SUERTE PENN, CHA CHA GALLUP, CHACO WASH MESAVERDE, CONE PARADOX, COUNSELDORS GALLUP-DAKOTA, CUERVO GALLUP, CUERVO MESAVERDE, DEVILS FORK GALLUP, DEVILS FORK MESAVERDE, INFERS PUENES GALLUP DAKOTA, EAGLE MESA ENTRADA, ESCRITO GALLUP, ESCRITO GALLUP (ASSOCIATED), FIVE LAKES DAKOTA, FOUR CORNERS PARADOX, FRANCISCAN LAKE MESAVERDE, GALLEGOS GALLUP (ASSOCIATED).

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 "Amoroch" 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 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 40' x 40' 1/2 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.

(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 gpr 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
USBOM - 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
DANA YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
GRADY 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

1a. TYPE OF WORK
DRILL **DEEPEN** '92 DE: 18 AM 9 20
PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

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

10. 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

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

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

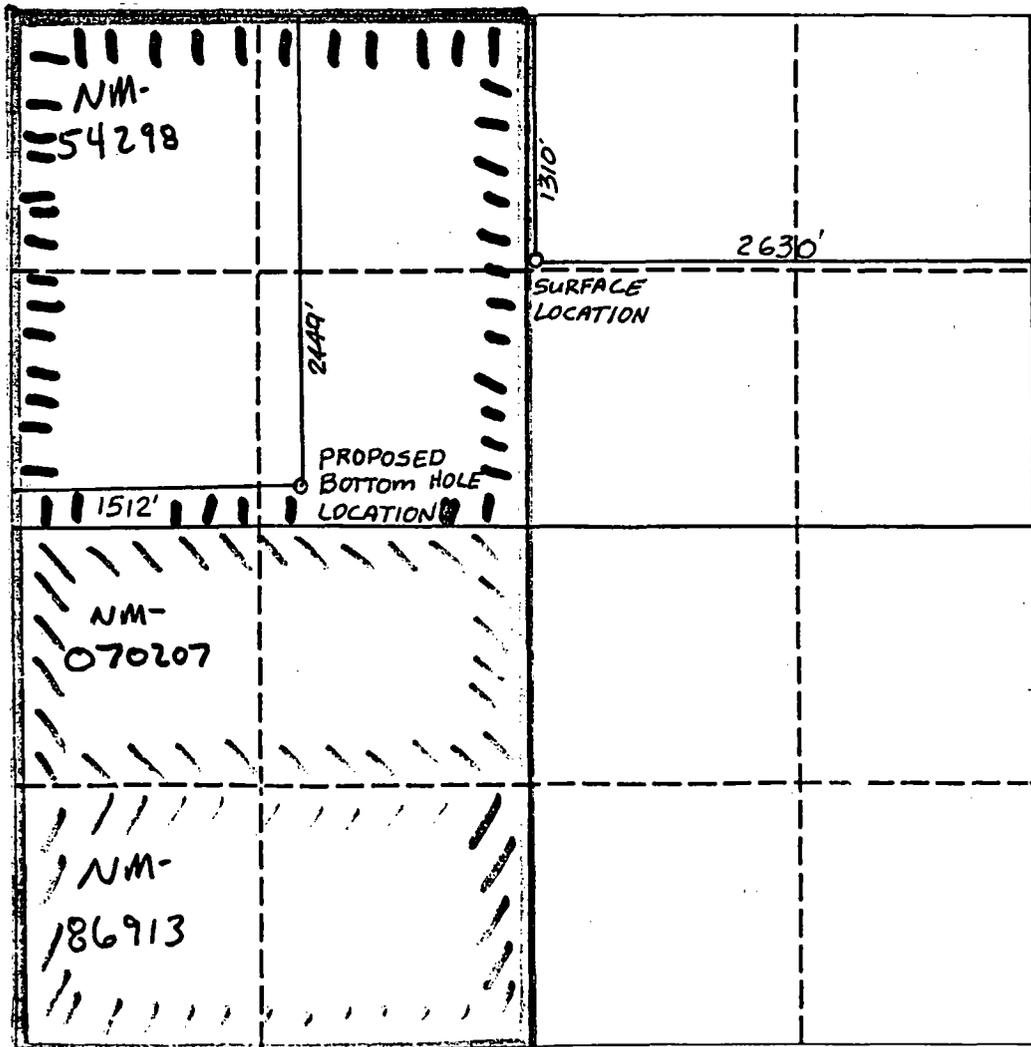
Operator YATES PETROLEUM CORPORATION			Lease AMARANTH AMG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County NMPM EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and		2630 feet from the EAST line			
Ground level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

- Outline the acreage dedicated to the subject well by colored pencil or 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 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 Beardsmph*

Printed Name: **Ken Beardsmph**

Position: **handman**

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**

NEW MEXICO
 REGISTERED PROFESSIONAL ENGINEER
 NM PE&PS 5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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# Gilsonite, 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:

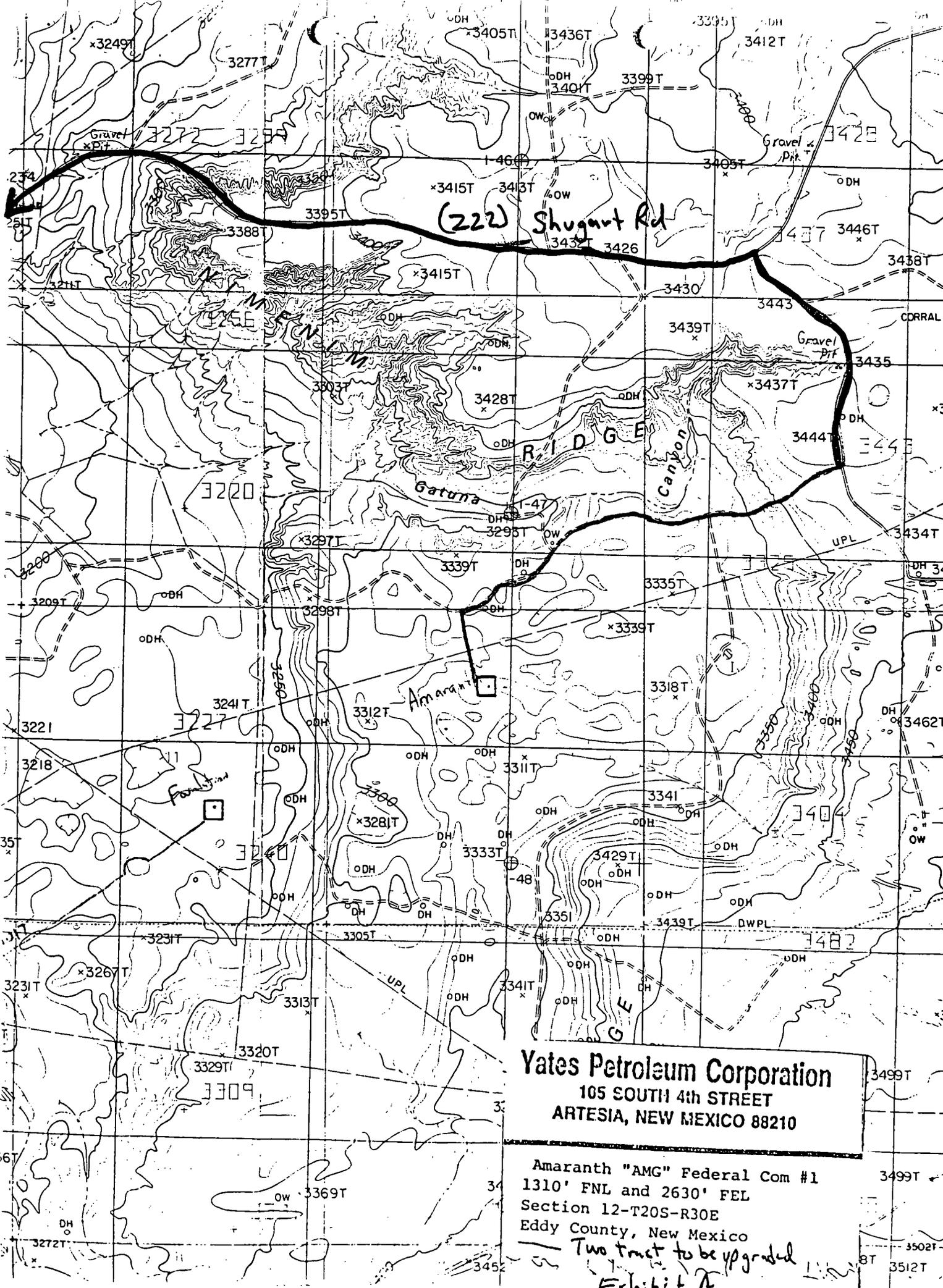
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated 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

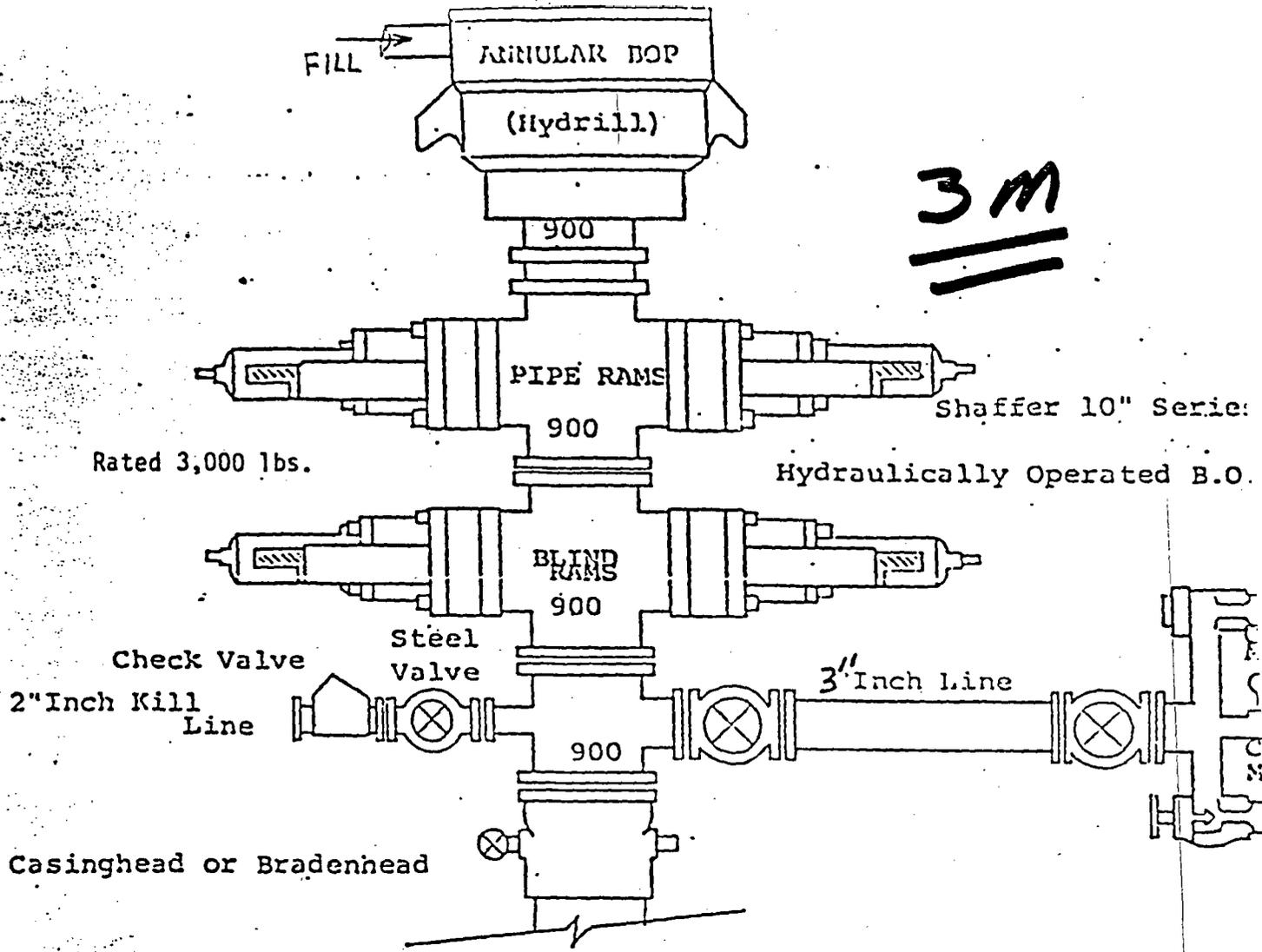


(222) Shugart Rd

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 tract to be upgraded
 Exhibit A

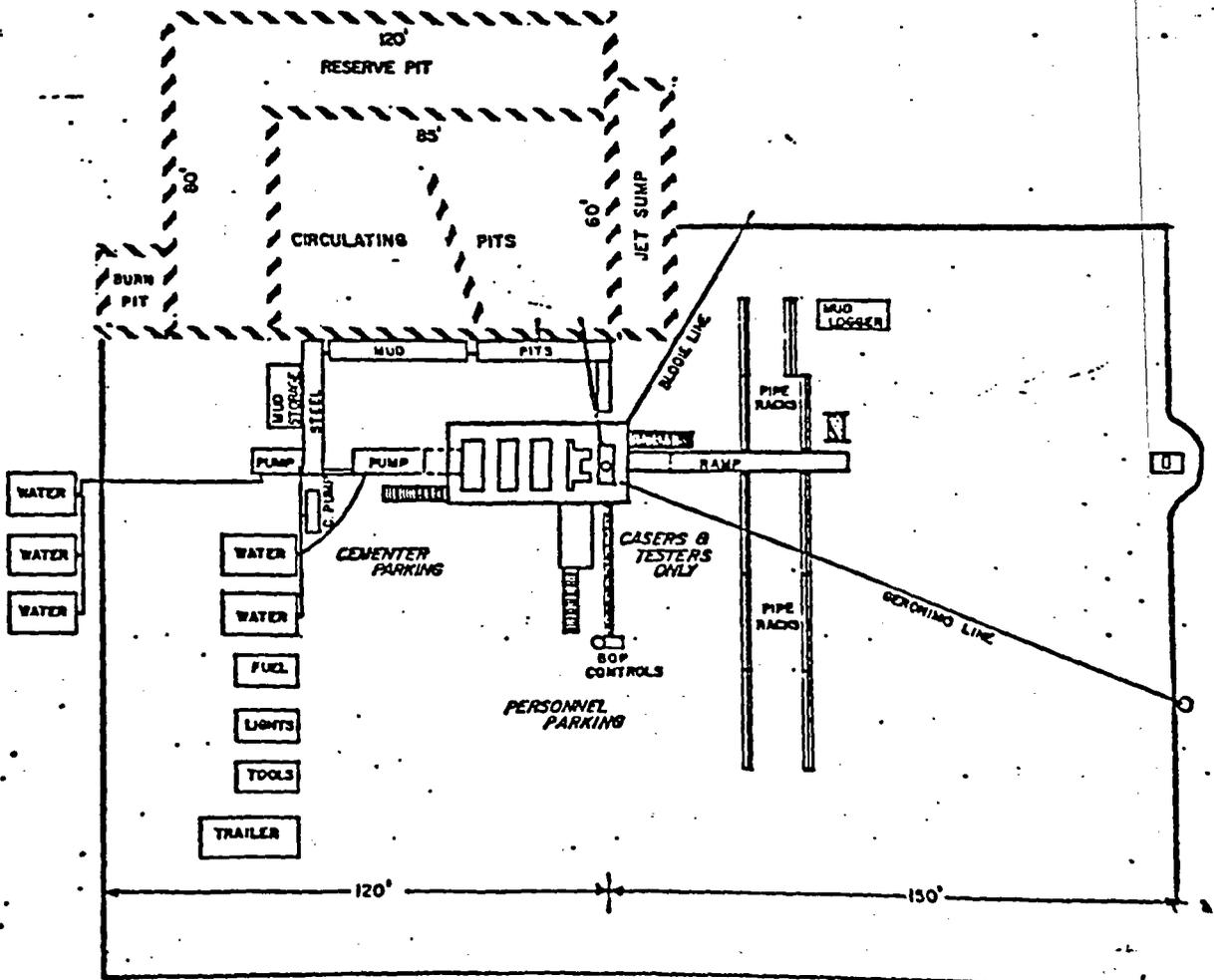


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual c 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 st hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of t required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equ 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.

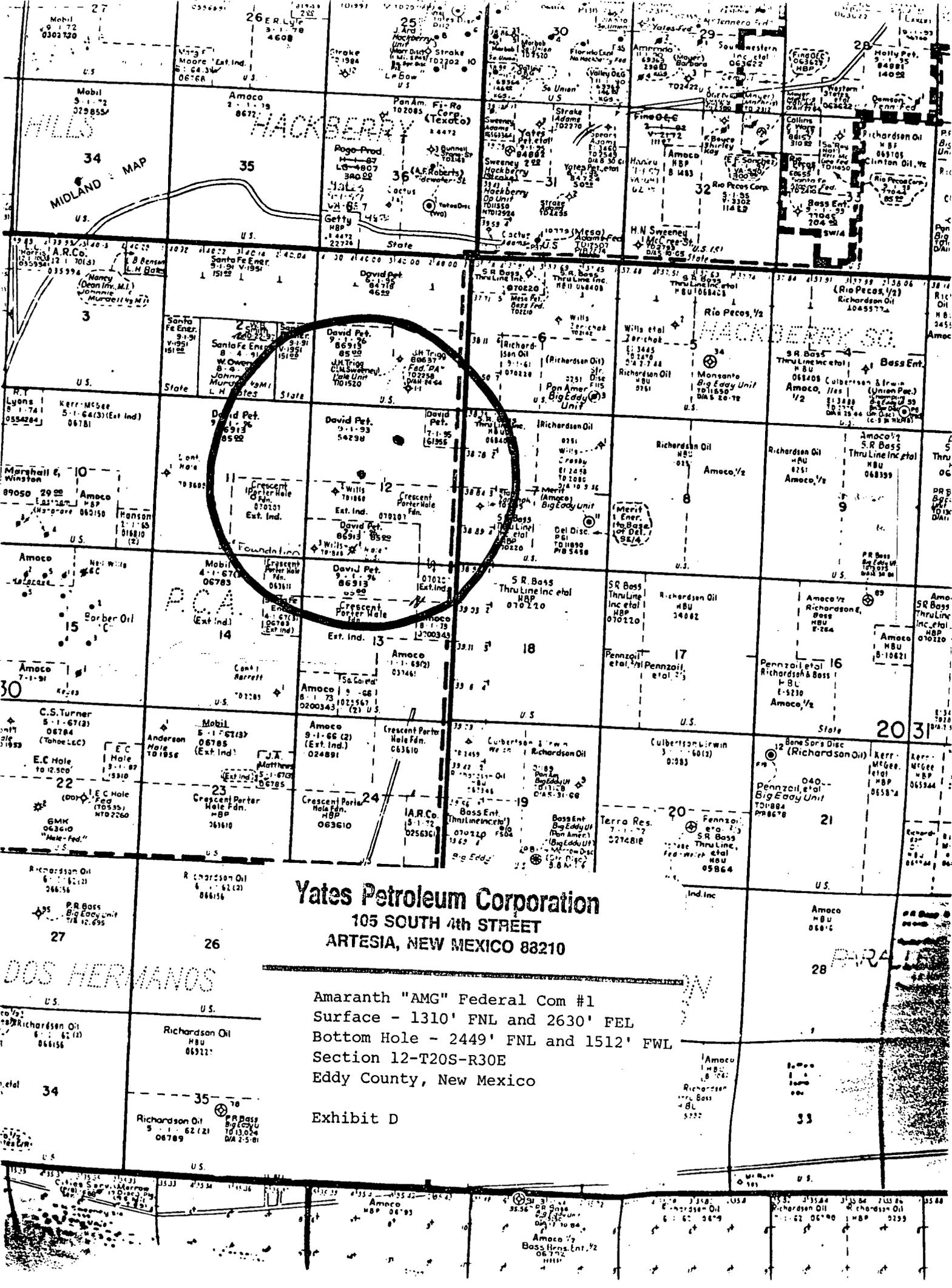
EXHIBIT
B

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 15

DOS HERMANOS



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,

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

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

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

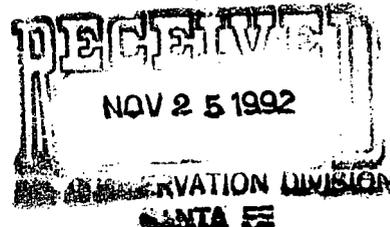
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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,



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

OIL CONSERVATION DIVISION

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

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

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

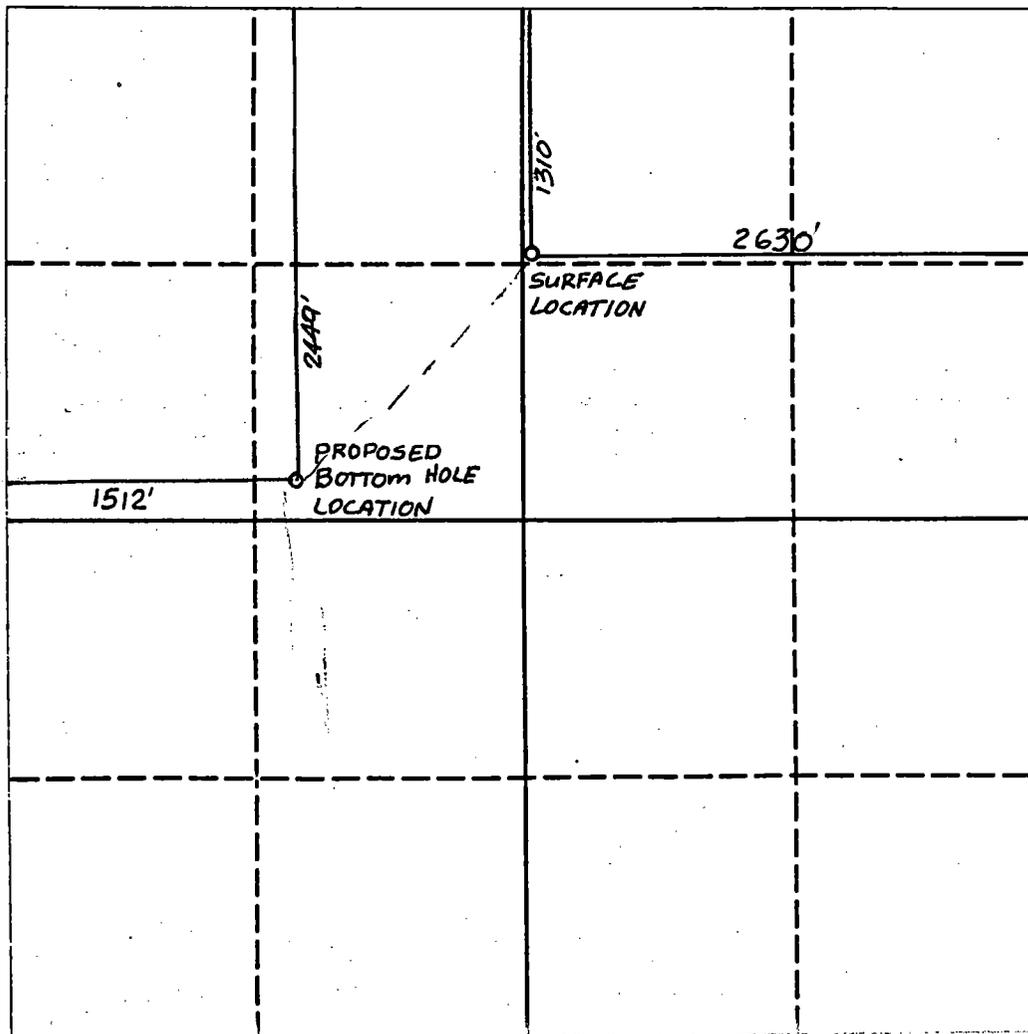
Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM			Well No. 1		
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM				
Actual Footage Location of Well: SURFACE LOCATION 1310 feet from the NORTH line and 2630 feet from the EAST line								
Ground level 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 in true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Position _____

Company _____

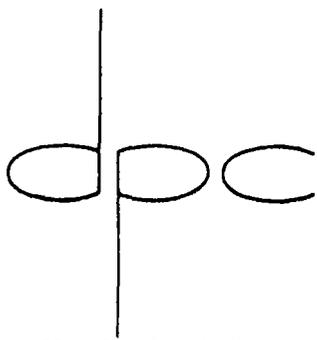
Date _____

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 ($\frac{1}{2}$) 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.

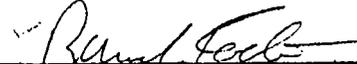
David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum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

Sincerely,

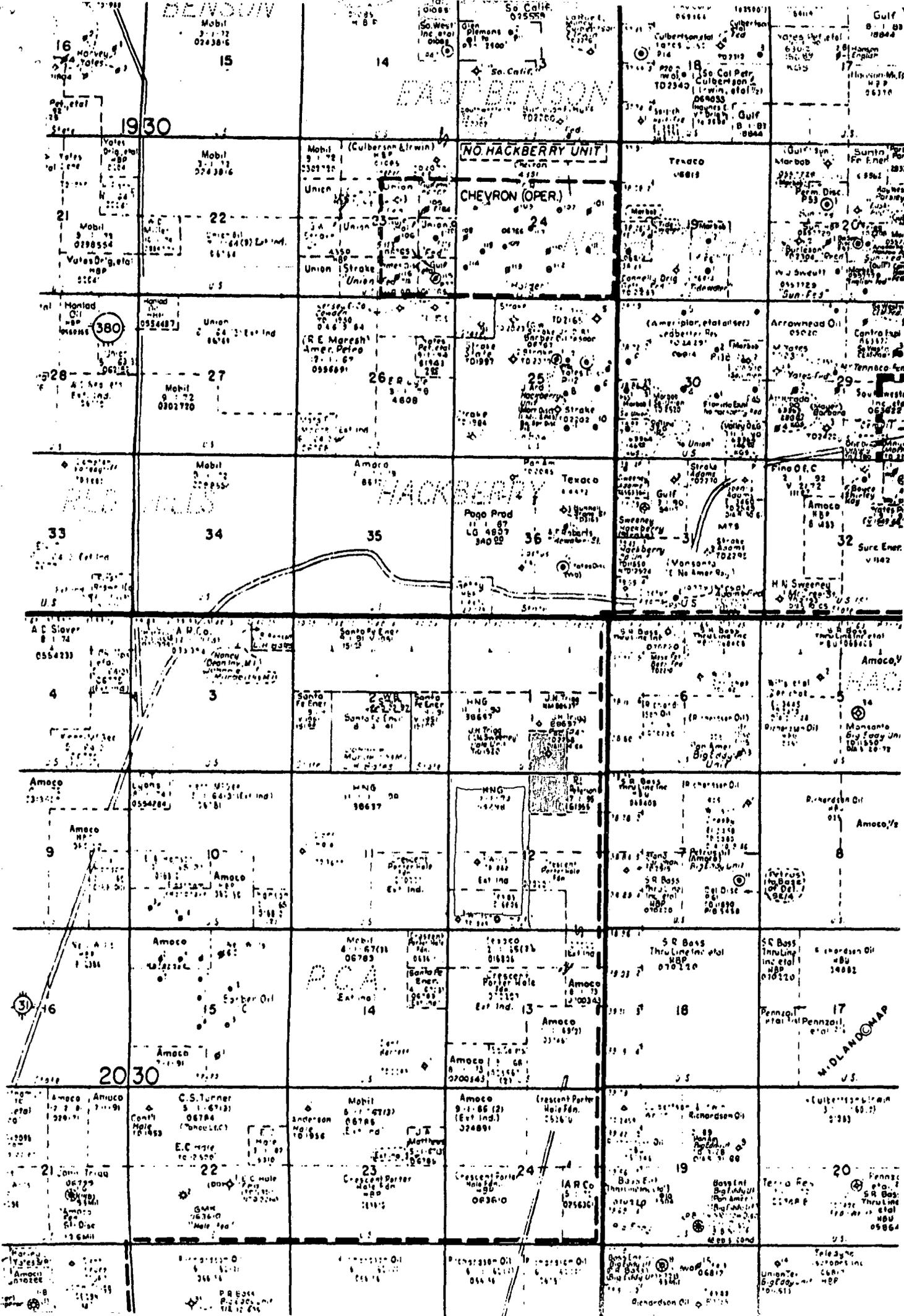

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: 
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 BENSON

NO HACKBERRY UNIT

CHEVRON (OPER.)

HACKBERRY

380

27

26

25

24

33

34

35

36

32

4

3

2

1

6

5

9

10

11

12

7

8

16

15

14

13

18

17

2030

21

22

23

24

19

20

MIDLAND MAP

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

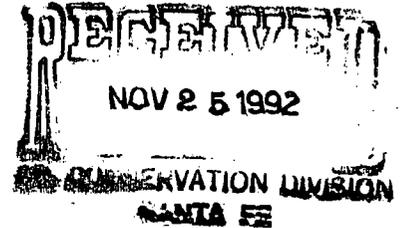


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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



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,



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

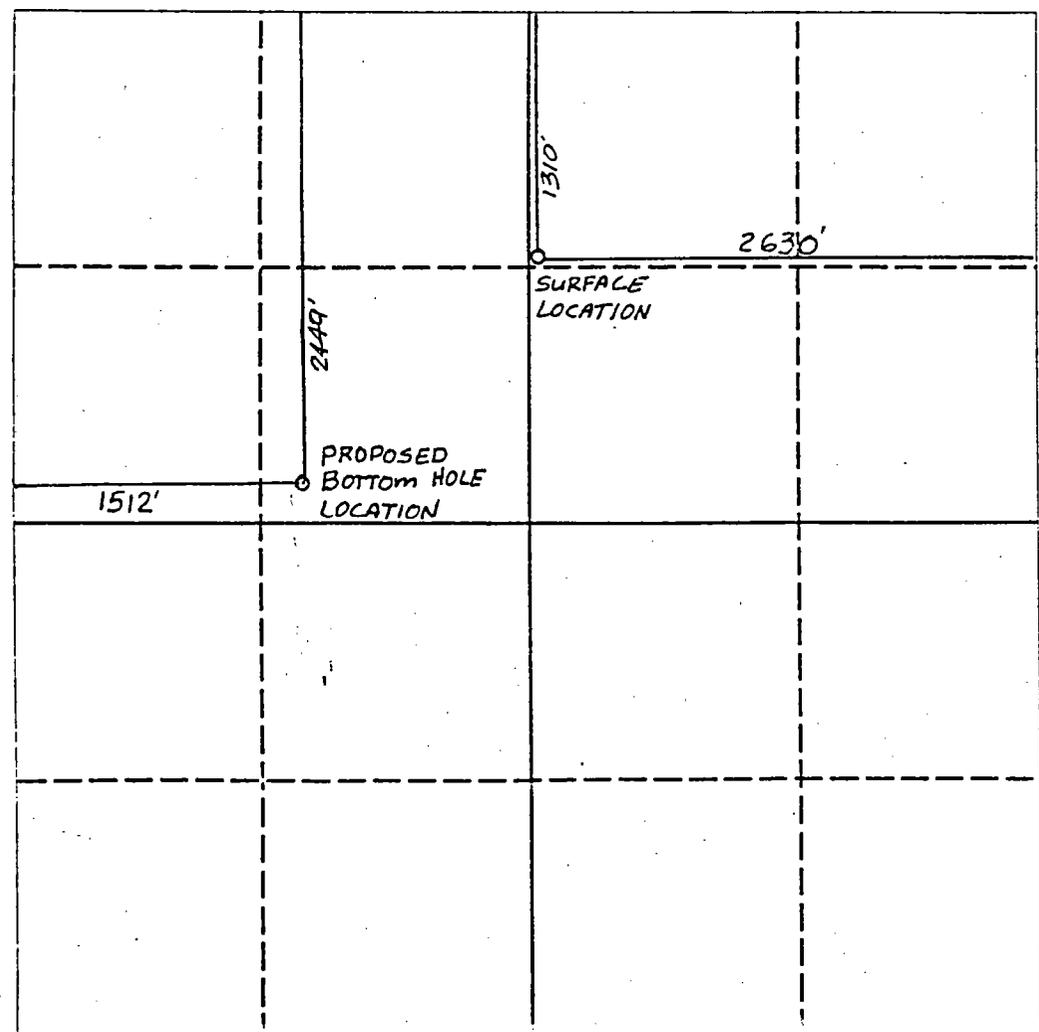
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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 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).
- 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.



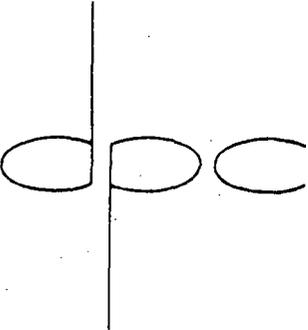
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____
 Printed Name _____
 Position _____
 Company _____
 Date _____

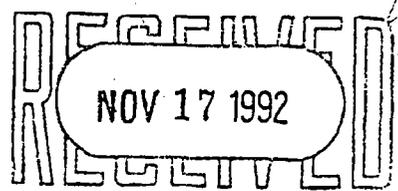
SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **NOVEMBER 20 OF 1992**
 Signature & Seal of Professional Surveyor

 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 (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,

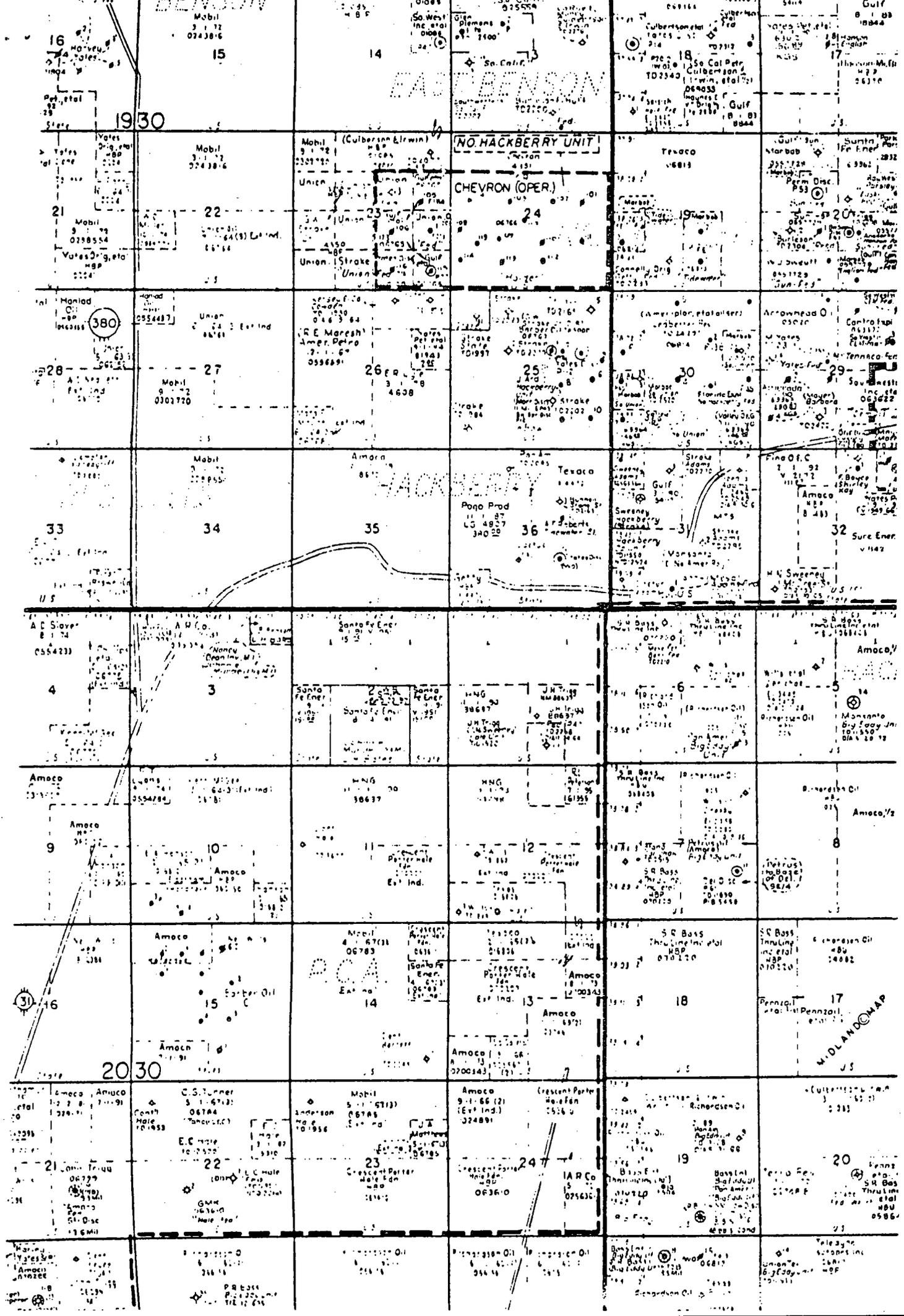
Bill Owen

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



16
Mobil
31172
0743816

15
Mobil
31172
0743816

14
Mobil
31172
0743816

13
Mobil
31172
0743816

12
Mobil
31172
0743816

11
Mobil
31172
0743816

1930

21
Mobil
31172
0743816

22
Mobil
31172
0743816

23
Mobil
31172
0743816

24
Mobil
31172
0743816

25
Mobil
31172
0743816

20
Mobil
31172
0743816

28
Mobil
31172
0743816

27
Mobil
31172
0743816

26
Mobil
31172
0743816

25
Mobil
31172
0743816

30
Mobil
31172
0743816

29
Mobil
31172
0743816

33
Mobil
31172
0743816

34
Mobil
31172
0743816

35
Mobil
31172
0743816

36
Mobil
31172
0743816

31
Mobil
31172
0743816

32
Mobil
31172
0743816

4
Mobil
31172
0743816

3
Mobil
31172
0743816

2
Mobil
31172
0743816

1
Mobil
31172
0743816

6
Mobil
31172
0743816

5
Mobil
31172
0743816

9
Mobil
31172
0743816

10
Mobil
31172
0743816

11
Mobil
31172
0743816

12
Mobil
31172
0743816

7
Mobil
31172
0743816

8
Mobil
31172
0743816

16
Mobil
31172
0743816

15
Mobil
31172
0743816

14
Mobil
31172
0743816

13
Mobil
31172
0743816

18
Mobil
31172
0743816

17
Mobil
31172
0743816

2030

21
Mobil
31172
0743816

22
Mobil
31172
0743816

23
Mobil
31172
0743816

24
Mobil
31172
0743816

19
Mobil
31172
0743816

20
Mobil
31172
0743816

MIDLAND MAP

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

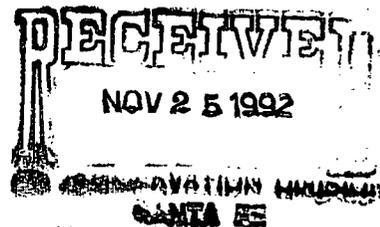


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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



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,



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

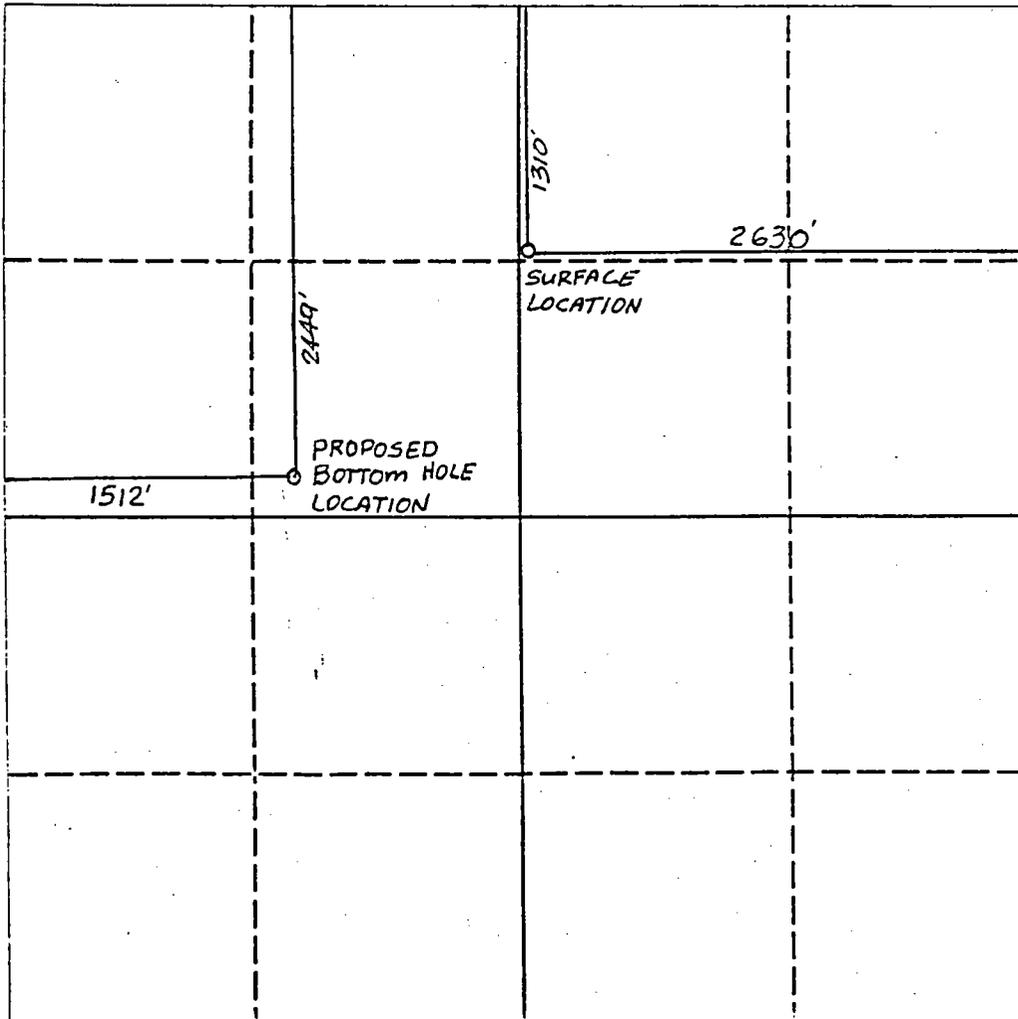
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 _____

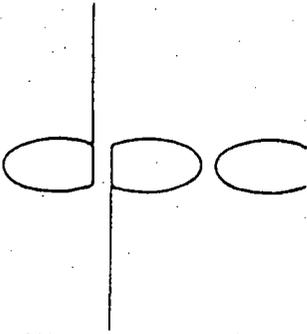
SURVEYOR CERTIFICATION

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.

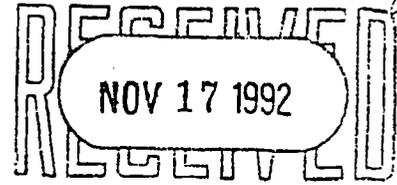
Date Surveyed
NOVEMBER 20, 1999

Signature & Seal of Professional Surveyor

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,

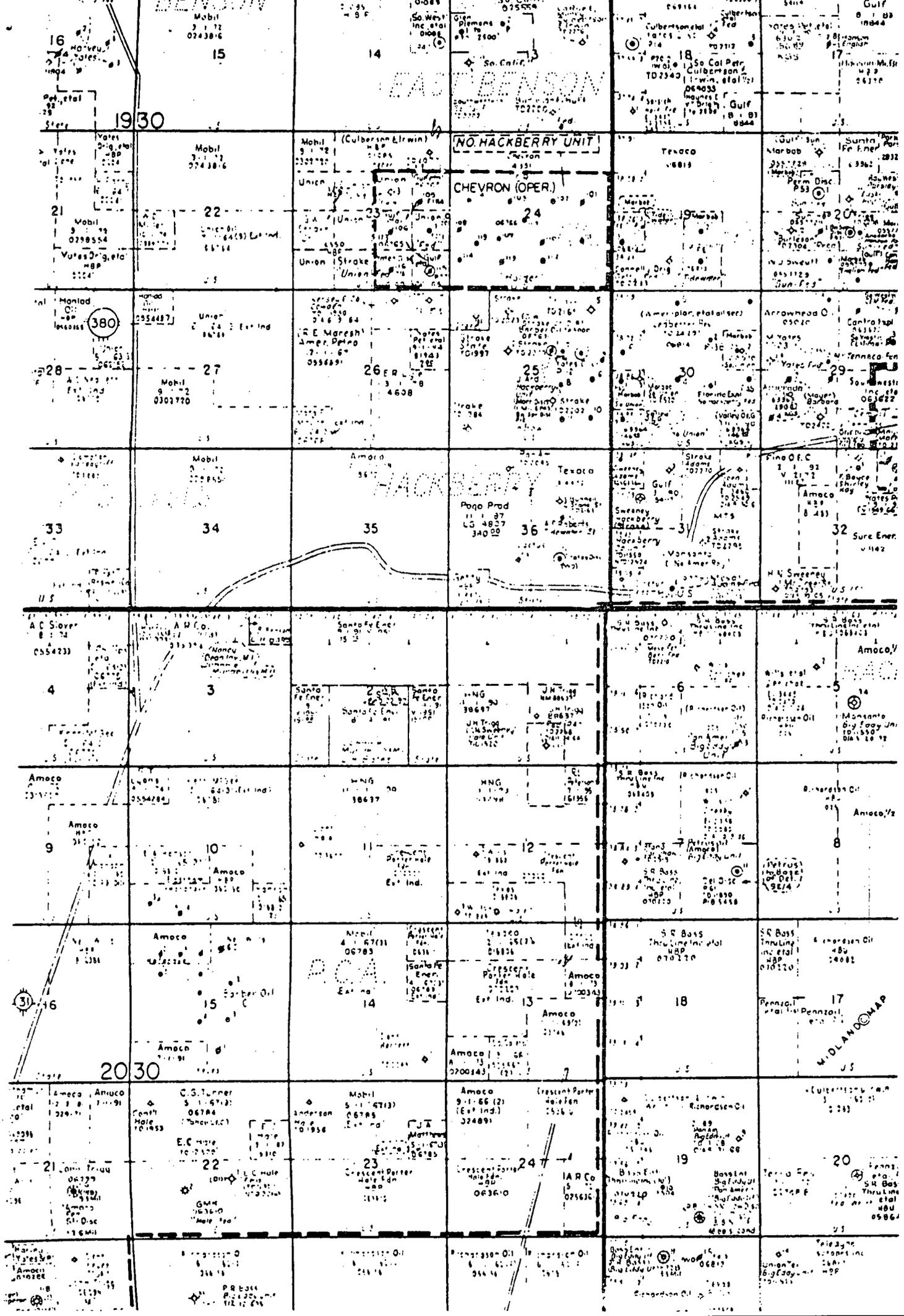
Bill Owen

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



16
1930

15
Mobil
3 1 72
0243816

14
Chevron

13
NO HACKBERRY UNIT
CHEVRON (OPER.)

18
Culbertson et al
18 1 81
0844

17
Gulf Sun
Sumita
18 1 81
06116

21
Mobil
3 1 72
0298554

22
Mobil
3 1 72
0243816

23
Union

24
Chevron

25
Texaco

20
Gulf Sun
Sumita

28
380
Mobil
9 1 72
0301770

27
Mobil
9 1 72
0301770

26
ER
3 1 72
4608

25
Chevron

30
Arrowhead O
05010

29
Surrey

33
Amoco

34
Mobil
A 1 72
0228650

35
Amoco

36
Pogo Prod
11 1 87
LG 4827
34020

31
S.R. Bass

32
Sure Ener
11 1 82

4
AC Gover
8 1 74
0554233

3
Amoco

2
Santo Fe Ener

6
HNG

5
Amoco

1
Amoco

9
Amoco

10
Amoco

11
HNG

12
HNG

7
S.R. Bass

8
Amoco

16
Amoco

15
Amoco

14
Mobil
4 1 67(3)
06783

13
Amoco

12
S.R. Bass

11
S.R. Bass

21
Amoco

2030
22
C.S. Turner
5 1 67(2)
06784

14
Mobil
5 1 67(3)
06785

13
Amoco

18
S.R. Bass

17
Pennzoil

21
Amoco

22
E.C. Hale

23
Crescent Porter

24
Amoco

19
S.R. Bass

20
S.R. Bass

Amoco

Amoco

Amoco

Amoco

Amoco

Amoco

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

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,



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

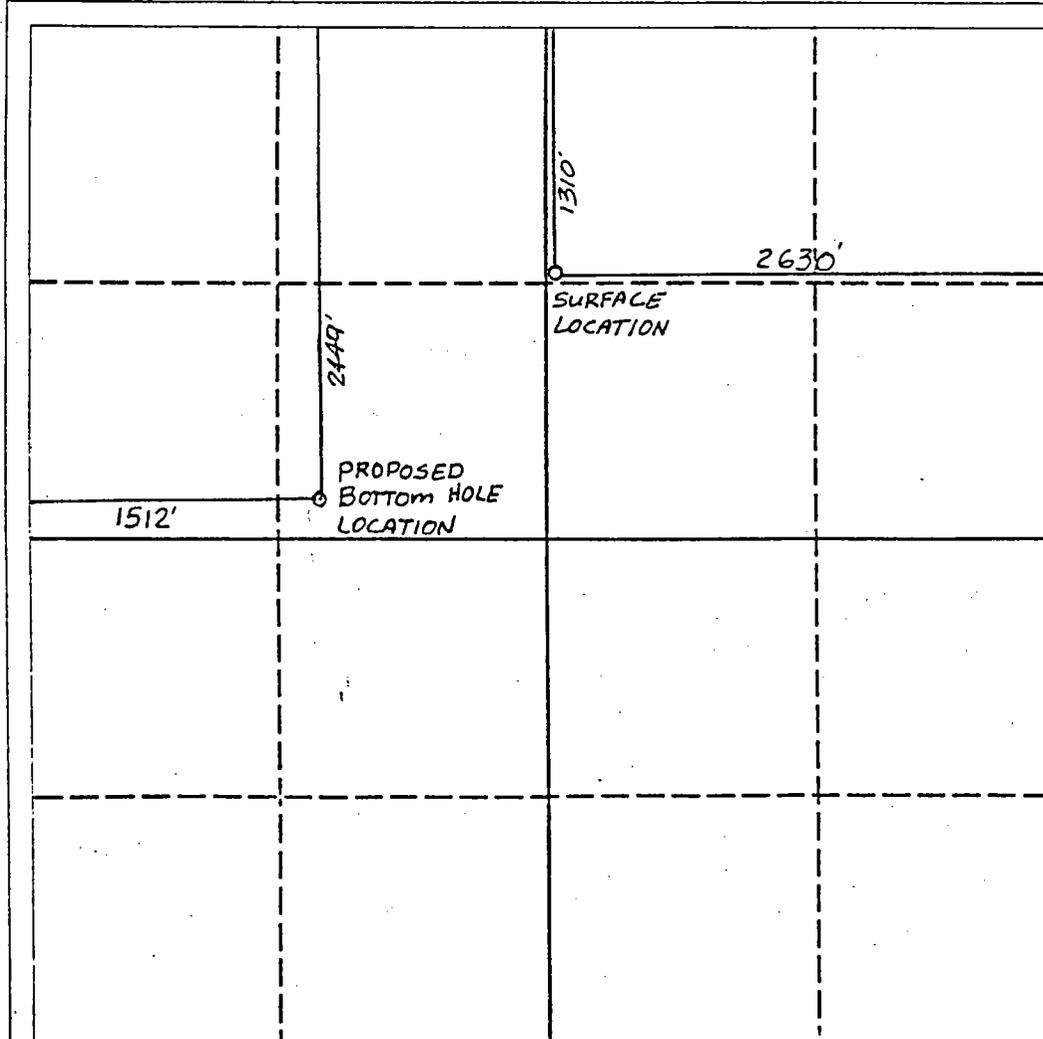
Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and		2630 feet from the EAST line			
Ground level Elev.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

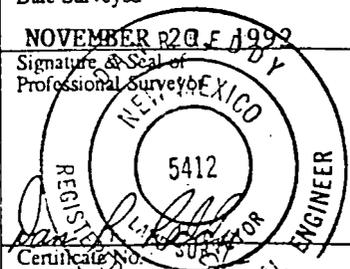
SURVEYOR CERTIFICATION

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.

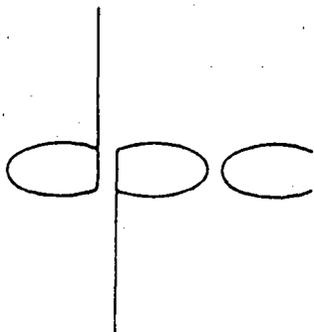
Date Surveyed

NOVEMBER 20 1993

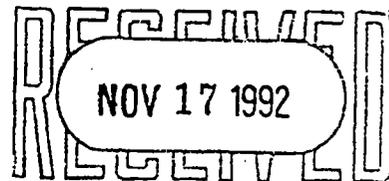
Signature & Seal of Professional Surveyor



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

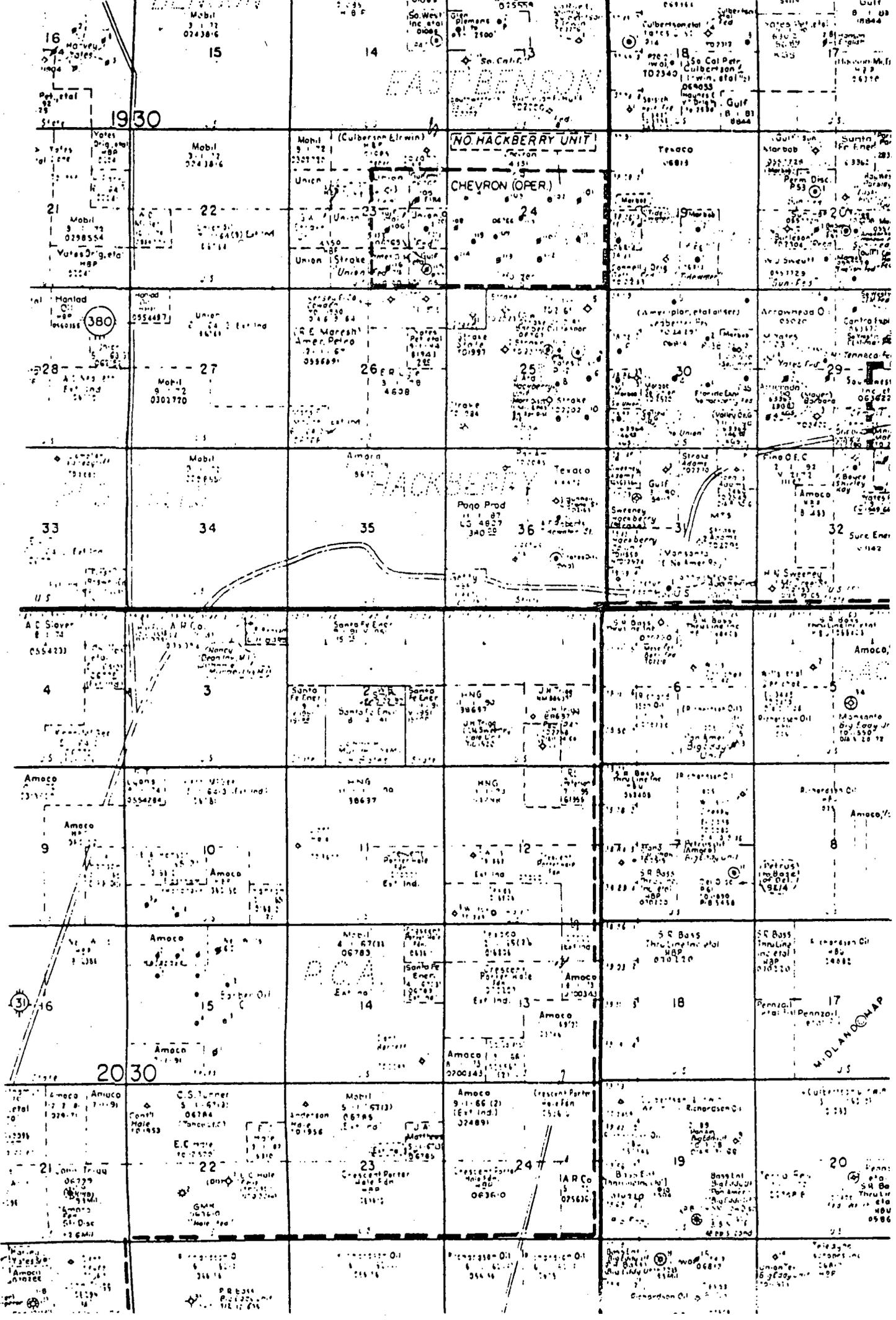
Agreed and Accepted this 4 day of October, 1990.

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



16
1930

EAST BENSON

NO HACKBERRY UNIT

CHEVRON (OPER)

HACKBERRY

380

31

2030

MIDLAND MAP

15 Mobil 3-1-72 02438-6
14 So. West Inc. et al 0008
18 Gulf 7-2-72 02340
21 Mobil 3-1-72 0298554
22 Mobil 3-1-72 02438-6
23 Union 3-1-72 03027-7
24 Union 3-1-72 03027-7
25 Union 3-1-72 03027-7
26 Ameron 3-1-72 4638
27 Mobil 3-1-72 03027-7
28 Ameron 3-1-72 0298554
33 Ameron 3-1-72 0298554
34 Mobil 3-1-72 0298554
35 Ameron 3-1-72 0298554
36 Pogo Prod 11-8-72 LS 4827 34020
4 A.C. Siver 8-1-72 0554233
5 Amoco 3-1-72 0554233
6 MNG 11-8-72 38697
7 MNG 11-8-72 38697
8 Amoco 3-1-72 0554233
9 Amoco 3-1-72 0554233
10 Amoco 3-1-72 0554233
11 Amoco 3-1-72 0554233
12 Amoco 3-1-72 0554233
13 Amoco 3-1-72 0554233
14 Amoco 3-1-72 0554233
15 Amoco 3-1-72 0554233
16 Amoco 3-1-72 0554233
17 Amoco 3-1-72 0554233
18 Amoco 3-1-72 0554233
19 Amoco 3-1-72 0554233
20 Amoco 3-1-72 0554233
21 Amoco 3-1-72 0554233
22 Amoco 3-1-72 0554233
23 Amoco 3-1-72 0554233
24 Amoco 3-1-72 0554233
25 Amoco 3-1-72 0554233
26 Amoco 3-1-72 0554233
27 Amoco 3-1-72 0554233
28 Amoco 3-1-72 0554233
29 Amoco 3-1-72 0554233
30 Amoco 3-1-72 0554233
31 Amoco 3-1-72 0554233
32 Amoco 3-1-72 0554233
33 Amoco 3-1-72 0554233
34 Amoco 3-1-72 0554233
35 Amoco 3-1-72 0554233
36 Amoco 3-1-72 0554233