

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 12, 1973

Yates Petroleum Corp.
Yates Building
207 South 4th Street
Artesia, New Mexico 88210

Attention: Mr. Eddie M. Mahfood

Administrative Order No. TX-36

Gentlemen:

Reference is made to your letter dated January 10, 1973, wherein you requested an exception to Rule 107(d) (2) of the Commission Rules and Regulations to permit the production of gas from the Slaughter zone of the Penasco Draw San Andres-Yeso Pool through 4 1/2" x 7" casing-casing annulus of your Greasewood BD State Com Well No. 1, located in Unit F of Section 5, Township 19 South, Range 25 East, Eddy County, New Mexico. Upon classification of the well as a gas well, you would dedicate to it the N/2 of said Section 5.

While you do not mention the gas-liquid ratio of the Slaughter completion, we assume that it is above the 10,000 cubic feet classification point for this pool.

Your request for the annular flow is hereby approved, provided however, that the Commission reserves the right to rescind this authority in the event that liquids or other production problems should indicate that the annular flow is not in the best interest of conservation.

Upon dedication of 320 acres to the well, the well will receive a gas allowable of 320/40 x 3000 x 80 or 1,920,000 cubic feet per day as long as the market demand remains at 100 percent, and as long as there are no other wells in this pool on the same 320-acre tract.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs

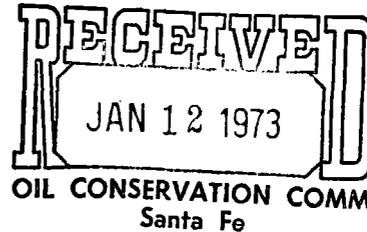
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YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

January 10, 1973

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC.-TREAS.



Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Exemption to Rule 107 (d)(2), Gas Well
Greasewood BD State #1 Com.
Unit F, Section 5, T19S, R25E
Penasco Draw-San Andres-Yeso Pool
Eddy County, New Mexico

Dear Mr. Porter:

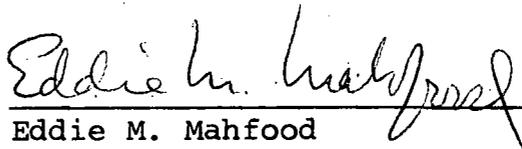
The Greasewood BD State #1 is presently completed with 7" casing cemented; Slaughter gas zone perforations isolated with 4½" casing on packer, and Penasco oil zone perforations open inside the 4½" casing to 2" tubing and rods. It is desired to reclassify the well as a gas completion as provided for in OCC Order No. R-4365 Case No. 4745. We are fearful, however, of attempting to pull the 4½" casing without blowing down, and loading the annulus could damage the formation.

Administrative approval is asked for an exception to OCC Rule 107 (d)(2), whereby the well may be reclassified as a tubingless gas completion (oil zone shut-in), for production through the annulus. Gas connection is anticipated in February 1973.

The lease name will be changed to Greasewood BD State #1 Com. with 320 acres (North-half of Section) dedicated.

Yours very truly,

YATES PETROLEUM CORPORATION

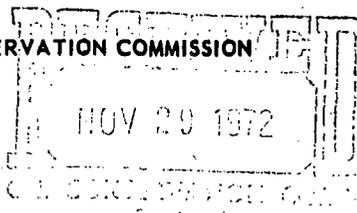

Eddie M. Mahfood
Petroleum Engineer

EMM:jg

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RECEIVED CONSERVATION COMMISSION

NOV 21 1972



Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
06-783

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Yates Petroleum Corporation	8. Farm or Lease Name Greasewood BD State
3. Address of Operator 207 South 4th Street - Artesia, New Mexico 88210	9. Well No. 1
4. Location of Well UNIT LETTER <u>F</u> <u>2310</u> FEET FROM THE <u>North</u> LINE AND <u>2310</u> FEET FROM THE <u>West</u> LINE, SECTION <u>5</u> TOWNSHIP <u>19-S</u> RANGE <u>25E</u> NMPM.	10. Field and Pool, or Wildcat Penasco Draw SA Yes
15. Elevation (Show whether DF, RT, GR, etc.) 3595' GR	12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <u>Shut off Slaughter Gas</u> <input checked="" type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

Our records indicate that 4½" 9.5# casing was run on October 2, 1967 and set on a Guiberson Type LV 7" x 4" full opening packer (cup type) with hydraulic holddown, set at 1361'. The reason for this action was to shut off the Slaughter perforations 1290-1340' which proved to be a gas zone, thereby conserving these gas reserves. From 10-2-67 to 2-24-69 this well produced oil and water from Penasco and Yeso perforations. At that time a cement plug was placed at 1810' shutting off the water production, and since 2-24-69 the well has produced oil only form Penasco perforations 1590-1650. A diagramatic sketch of the well completion is attached hereto.

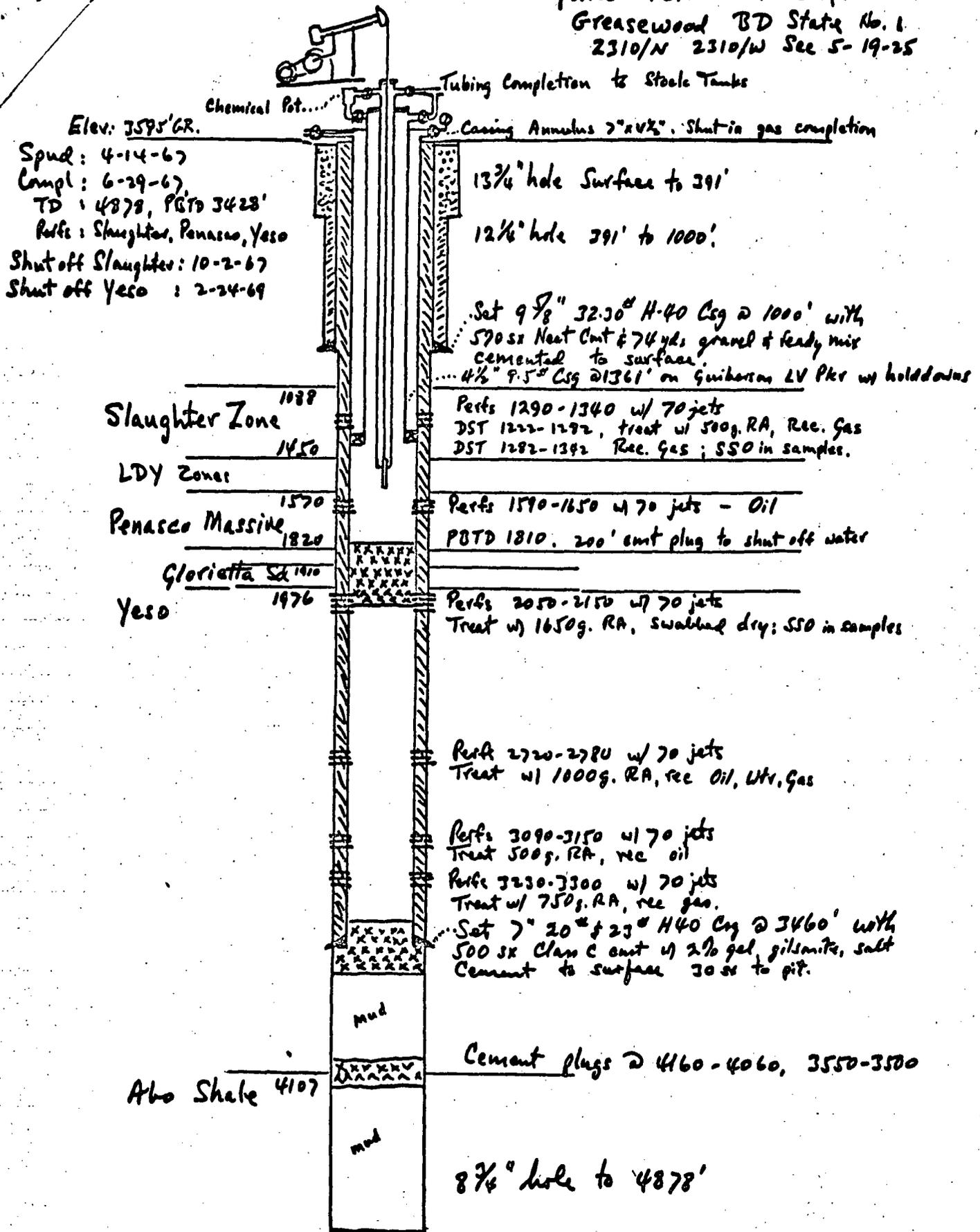
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Eddie M. Mahford TITLE Engineer DATE 11-20-72

APPROVED BY For Record Only TITLE OIL AND GAS INSPECTOR DATE NOV 28 1972

CONDITIONS OF APPROVAL, IF ANY:

Yates Petroleum Corporation
 Greasewood BD State No. 1
 2310/N 2310/W Sec 5-19-25



Elev: 3595' GR.

Spud: 4-14-67
 Compl: 6-29-67
 TD: 4878, PBD 3428'
 Refs: Slaughter, Penasco, Yeso
 Shut off Slaughter: 10-2-67
 Shut off Yeso: 2-24-69

Tubing Completion to Stock Tanks

Casing Annulus 7" x 2 1/2". Shut in gas completion

13 3/4" hole Surface to 391'

12 1/2" hole 391' to 1000'

Set 9 7/8" 32.30 H-40 Csg @ 1000' with
 570 ss Neat Cmt & 74 yds gravel & leady mix
 cemented to surface.
 ... 4 1/2" 9.5" Csg @ 1361' on Gumberson LV Pkr w/ holddowns

Slaughter Zone

1088

1450

LDY Zones

1570

Penasco Massive

1820

Glorietta Sh 1910

Yeso

1976

Perfs 1290-1340 w/ 70 jets
 DST 1222-1292, treat w/ 500g. RA, Rec. Gas
 DST 1282-1342 Rec. Gas; SSO in samples.

Perfs 1590-1650 w/ 70 jets - Oil
 PBD 1810. 200' cmt plug to shut off water

Perfs 2050-2150 w/ 70 jets
 Treat w/ 1650g. RA, swabbed dry; SSO in samples

Perfs 2720-2780 w/ 70 jets
 Treat w/ 1000g. RA, rec Oil, Ltr. Gas

Perfs 3090-3150 w/ 70 jets
 Treat 500g. RA, rec oil

Perfs 3230-3300 w/ 70 jets
 Treat w/ 750g. RA, rec gas.

Set 7" 20" & 23" H40 Csg @ 3460' with
 500 ss Class C cmt w/ 2% gel gilsmitz, salt
 Cement to surface 30 ss to pit.

Mud

Cement plugs @ 4160-4060, 3550-3500

Abn Shale 4107

Mud

8 7/8" hole to 4878'