

Submit 3 copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

WELL API NO. 30-015-30561
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-8617
7. Lease Name or Unit Agreement Name Spurck 16 State Com
8. Well No. 1
9. Pool name or Wildcat Empire Penn

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. Type of Well:
OIL Well GAS Well OTHER

2. Name of Operator
Yates Drilling Company

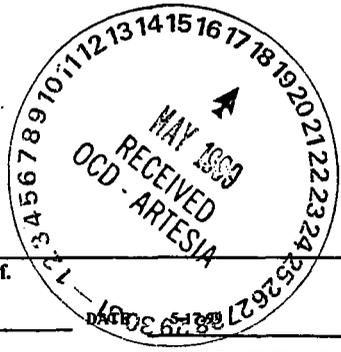
3. Address of Operator
105 S. 4th St., Artesia, NM 88210

4. Well Location
Unit Letter J : 1344 Feet From The South Line and 1650 Feet From The East Line
Section 16 Township 17S Range 28E NMPM Eddy County

11. 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
Spudded a 20" hole with rat hole machine at 11:15 am, 5-5-99. Set 40' of 16" conductor pipe. Note: Notified Mike Stubblefield with NMOCD, Artesia of spud. Began drilling a 14 3/4" hole with rotary tools at 10:30 am, 5-15-99. TD 400' at 7:15 pm, 5-15-99. Ran 9 jts. of 11 3/4", 42#, H-40 casing set at 400'. 1 Texas Pattern Notched guide shoe, set at 400'. Insert float set at 355.34'. Cemented with 300 sxs Class "C" with 2% CACL2 (yield 1.34, weight 14.8). Plugged down at 10:45 pm, 5-15-99. Bumped plug to 500 psi, okay. Circulated 58 sxs. WOC. Reduced hole to 11" and drilled out at 4:45 pm, 5-16-99.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Karen J. Leishman TITLE Engineering Technician
TYPE OR PRINT NAME Karen J. Leishman TELEPHONE NO. 505-748-4500

(This space for State Use)
APPROVED BY Jim W. Gunn ^{BDO} TITLE District Supervisor DATE 6-2-99

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 6 copies
 Federal Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

DISTRICT I
 Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P.O. Box 2088
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 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
 30-015-30561

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 B-8617

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL GAS WELL DRY OTHER

b. Type of Completion: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR

2. Name of Operator
 Yates Drilling Company

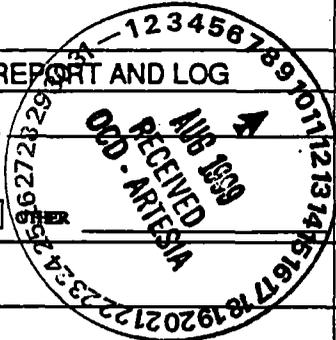
3. Address of Operator
 105 South 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter J: 1344 Feet From The South Line and 1650 Feet From The East Line
 Section 16 Township 17S Range 28E NMPM Eddy County

7. Lease Name or Unit Agreement Name
 Spurck 16 State Com

8. Well No.
 1

9. Pool name or Wildcat
 Empire Penn



10. Date Spudded: 5-5-99
 11. Date T.D. Reached: 6-12-99
 12. Date Compl. (Ready to Prod.): 7-22-99
 13. Elevations (DF & RKB, RT, GR, etc.): 3578' GR
 14. Elev. Casinghead: -

15. Total Depth: 10,320
 16. Plug Back T.D.: 10,265
 17. If Multiple Compl. How Many Zones?
 18. Intervals Drilled By: Rotary Tools: 40-10320'
 Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
 9993-10025' Morrow
 20. Was Directional Survey Made: No

21. Type Electric and Other Logs Run
 CNL/LDC, BHC & Laterolog
 22. Was Well Cored: No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"		40'	20"	Cement to Surface	
11 3/4"	42#	400'	14 3/4"	300 sxs - circulate	
8 5/8"	24# & 32#	2395'	11"	1100 sxs - circulate	
4 1/2"	11.6#	10320'	7 7/8"	1075 sxs	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	9904'	9865'

26. Perforation record (interval, size, and number)

9993-95' (.40" 6 holes) 10003-15' (.40", 52 holes)
 10023-25' (.40", 6 holes)
 9958-70' 9975-77' (.42", 64 holes)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9958-10025	16500 + 2500 gals Methonal + N2 + CO2
	71000# 20/40 ACfrac Black

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)					
7-24-99	Flowing	Prod.					
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7-27-99	24	20/64		100.34	3614.0	0	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
2300	-		100.34	3614.0	0	60.2	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Sold

Test Witnessed By
 Greg Roans

30. List Attachments
 Drill Stem Test, Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature: Karen J. Leishman Printed Name: Karen J. Leishman Title: Engineering Tech Date: 8-9-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn 8973' _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka 9531' _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres 2007' _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta 3378' _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo 5510' _____	T. Morrow Clastics 9852' _____	T. Wingate _____	T. _____
T. Wolfcamp 6641' _____	T. Lwr Morrow 9926' _____	T. Chinle _____	T. _____
T. Penn 8219' _____	T. Austin Cycle 10054' _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. Chester 10216' _____	T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	400	400	Surface				
400	650	250	Redbed, anhydrite				
650	1510	860	Anhydrite				
1510	1710	200	Anhydrite, redbed, shale				
1710	3370	1660	Anhydrite, dolomite				
3370	4220	850	Anhydrite, dolomite, sandstone				
4220	6620	2400	Dolomite				
6620	8160	1540	Limestone, shale				
8160	8440	280	Dolomite				
8440	9520	1080	Limestone, shale				
9520	9850	330	Limestone, sand, shale				
9850	10050	200	Limestone, shale, sandstone				
10050	10210	160	Shale, limestone				
10210	10320	110	Limestone				

**YATES DRILLING COMPANY
'WORKING INTEREST OWNERS
'SPURCK 16 STATE COM #1 API NUMBER 30-015-30561**

OWNER NAME	INTEREST
Marbob Energy	0.12500000
Marico Exploration, Inc.	0.05000000
Pitch Energy Corporation	0.12500000
Sacramento Partners Limited	0.15000000
Sharbro Oil Ltd. Co.	0.03660580
Yates Energy Corporation	0.05912740
Yates, Peggy A. Estate	0.03660580
Harvey E. Yates Company	0.17839090
Yates, Lillie M. Estate SP	0.03660580
Yates Drilling Company	0.06605850
Yates, John A.	0.03660580
Yates, Peyton, Sole & Separate	0.05000000
Yates, Richard	0.05000000
 TOTAL INTEREST	 1.00000000



YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES
PRESIDENT

S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

August 24, 1999

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Dear Sir/Madam:

Pursuant to the rules established by the State of New Mexico under 19 NMAC 15.A.34 pertaining to "New Well Tax Incentive"; Yates Drilling Company does hereby submit an original plus two copies of Form C-142 "Application for New Well Status" for the following well. These forms are being submitted for your approval and designation of this wells as a "New Well" for purposes of the New Well Tax Incentive.

1. Spurck 16 State Com #1

Should you have any questions or require additional information, please feel free to give me a call at 505-748-4344.

Sincerely,

Dennis P. Maupin
Tax Accountant

enclosures