

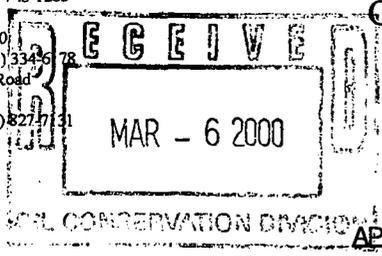
District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-678
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET, ARTESIA NM 88210							OGRID Number 025575	
Contact Party Dennis P. Maupin							Phone (505) 748-4344	
Property Name Sparrow SP State					Well Number 7	API Number 30-005-63206		
UL 0	Section 32	Township 6S	Range 25E	Feet From The 660	North/South Line South	Feet From The 1980	East/West Line East 1/4	County Chaves

II. Date/Time Information

Spud Date 10-20-99	Spud Time 2:15 p.m.	Date Completed 01-05-00	Pool Pecos Slope Abo
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of New Mexico)
County of Eddy) ss.

Dennis P. Maupin, being first duly sworn, upon oath states:

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- 2. To the best of my knowledge, this application is complete and correct.

Signature Dennis P. Maupin Title Tax Dept. Asst. Mgr. Date 03/02/00

SUBSCRIBED AND SWORN TO before me this 2nd day of March, 2000.

Suzanne R. Pearson
Notary Public

My Commission expires: 9/6/2003

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Gehl</u>	Title <u>P.E. Speer</u>	Date <u>MAR 07 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 3/7/00

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2010850198

YATES PETROLEUM CORPORATION
SPARROW SP STATE #7
API NUMBER 30-005-63206

OWNER NAME	INTEREST
Abo Petroleum	0.25000000
MYCO Industries, Inc.	0.25000000
Yates Drilling Company	0.25000000
Yates Petroleum Corporation	0.25000000
TOTAL INTEREST	1.00000000

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
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 API NO.	30-005-63206
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-4334
7. Lease Name or Unit Agreement Name	
Sparrow SP State	
8. Well No.	7
9. Pool name or Wildcat	Pecos Slope Abo
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	
3899' GR	

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210

4. Well Location Unit Letter <u>0</u> : <u>660</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>6S</u> Range <u>25E</u> NMPM <u>Chaves</u> County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3899' GR
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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 type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Spud & conductor</u> <input checked="" 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 22" hole with rat hole machine at 2:15 PM 10-20-99. Drilled to 40'. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified E. L. Gonzales with OCD-Artesia of spud.

TD 40'. Waiting on rotary tools.

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

SIGNATURE <u>Rusty Klein</u>	TITLE <u>Operations Technician</u>	DATE <u>Nov. 8, 1999</u>
TYPE OR PRINT NAME <u>Rusty Klein</u>	TELEPHONE NO. <u>505/748-147</u>	

(This space for State Use)

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

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

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

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

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

WELL API NO.
30-005-63206

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
LG-4334

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.)

7. Lease Name or Unit Agreement Name
Sparrow SP State

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
7

2. Name of Operator
YATES PETROLEUM CORPORATION

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

9. Pool name or Wildcat
Pecos Slope Abo

4. Well Location
Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line
Section 32 Township 6S Range 25E NMPM Chaves County

10. Elevation (Show whether DP, RKB, RT, GR, etc.)
3899' GR

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 type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Surface casing & cement <input checked="" 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.
Resumed drilling a 14-3/4" hole with rotary tools at 11:45 PM 11-1-99.
TD 775'. Reached TD at 6:10 PM 11-3-99. Ran 11 joints of 11-3/4" 42# H-40 (484') of casing set at 469'. 1-Texas Pattern notched guide shoe set at 468'. Insert float set at 425'. Cemented with 150 sacks Halliburton Lite with 3% CaCl2 and 1/4#/sack flocele (yield 2.02, weight 12.4). Tailed in with 200 sacks Premium Plus with 2% CaCl2 (yield 1.34, weight 14.8). PD 4:30 AM 11-4-99. Bumped plug and float held okay. WOC. Circulated 144 sacks. WOC. Cut off and welded on flow nipple. Drilled out at 1:30 AM 11-5-99. WOC 21 hours. Reduced hole to 11". Resumed drilling. NOTE: Drilled hole to 775'. Stuck casing at 469'. Okayed cementing of 11-3/4" casing at 469' with OCD-Artesia.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Rusty Klein TITLE Operations Technician DATE Nov. 8, 1999
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

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

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

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

WELL API NO.
 30-005-63206

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 LG-4334

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 FLUO BACK DIPP RESVR OTHER _____

2. Name of Operator
 YATES PETROLEUM CORPORATION (505) 748-1471

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

7. Lease Name or Unit Agreement Name
 Sparrow SP State

8. Well No.
 7

9. Pool name or Wildcat
 Pecos Slope Abo

4. Well Location
 Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line

Section 32 Township 6S Range 25E NMPM Chaves County

10. Date Spudded
 RH 10-20-99
 RT 11-1-99

11. Date T.D. Reached
 11-12-99

12. Date Compl. (Ready to Prod.)
 1-5-2000

13. Elevations (DF & RKB, RT, GR, etc.)
 3899' GR

14. Elev. Casinghead

15. Total Depth
 4165'

16. Plug Back T.D.
 4058'

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By
 Rotary Tools
 40-4165'

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
 3617-3963' Abo

20. Was Directional Survey Made
 No

21. Type Electric and Other Logs Run
 Dual Spaced Neutron & DLL

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'	22"	Cement to surface	
11-3/4"	42#	469'	14-3/4"	350 sx - circulate	
8-5/8"	24#	1560'	11"	660 sx - circulate	
4-1/2"	10.5#	4103'	7-7/8"	315 sx	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					1-1/4"	3607'	

26. Perforation record (interval, size, and number)
 3617-3963' w/25 .38" holes

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3617-3963'	Frac'd w/140000 gals 65Q N2 foam & 244400# 16-30 Brady sand

28. **PRODUCTION**

Date First Production
 1-6-2000

Production Method (Flowing, gas lift, pumping - Size and type pump)
 Flowing

Well Status (Prod. or Shut-in)
 Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
2-15-2000	24	18/64"			251		

Flow Tubing Press.	Gasing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
160#	235#			251		

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

Test Witnessed By
 Phil Morgan

30. List Attachments
 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 Rusty Klein Printed Name Rusty Klein Title Operations Tech. Date 3-2-2000

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

March 3, 2000

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 Petroleum Corporation 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 well as a "New Well" for purposes of the New Well Tax Incentive.

1. Sparrow SP State #7, API Number: 30-005-63206

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

Sincerely,

A handwritten signature in black ink that reads "Dennis P. Maupin". The signature is written in a cursive style with a large, prominent 'D'.

Dennis P. Maupin
Tax Department Assistant Manager

enclosures