

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



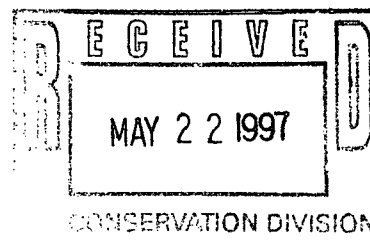
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

NSL 6/11/97

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

May 21, 1997

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508



NSL-OIL-216

RE: Application for Unorthodox Location
Barry ARD State No. 1
Wildcat Strawn
Township 15 South, Range 35 East
Section 29: NE/4NW/4
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Strawn oil well, the Barry ARD State #1. This well is staked on state minerals, 330' FNL and 1360' FWL primarily on the basis of 3-D seismic. All possible standard locations in the NE/4NW/4 forty (40) acres proration unit were carefully considered but were deemed undrillable due to high potential for economic waste. We further request this well location be approved for all formations developed on forty-acre spacing.

Notification to the offset operators to the north, west, northwest and southwest was made by certified mail on May 21, 1997, including a copy of this application letter with all attachments. We request that this unorthodox location be administratively approved if no objections are received with twenty (20) days, or earlier if waivers are received.

Enclosed are Forms C-101 and C-102, a land plat showing all offset operators, a list of the encroached-upon operators, Isopack Map of the Strawn carbonate and a structure map of the top of the Strawn carbonate.

Isopack and structure mapping indicate the area is favorable for Strawn mound development. Seismic combined with subsurface information suggest more than 275' (Isopack map) of Strawn carbonate interval at the proposed location. Mapping indicates that better porosity development tends to occur in the thickest Strawn carbonate. Additionally, this location provides an optimum structural position. Available subsurface and seismic data show a likely closure on the top of the Strawn at a subsea depth of approximately 7,475' (Structure Map). The seismic closure essentially coincides with the Strawn thick. Additional consideration includes seismic wave attributes which further enhance the location.

Page 2
Barry ARD State No. 1

To maximize both initial chance of success and ultimate hydrocarbon recover, the proposed location provides the optimum combination of structure, stratigraph and seismic attributes. Yates believes this location is in the best interest of conservation, protection of correlative rights and the prevention of waste.

Thank you for your assistance. Please call either Mike Hayes or me at (505)748-1471 if you need further information.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script that reads "Robert Bullock".

Robert Bullock
Landman

RB:bn
enclosure(s)

RR
District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30 - 0
⁴ Property Code	⁵ Property Name Barry "ARD" State	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	15S	35E		330'	North	1360'	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Wildcat Strawn					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4018'
¹⁶ Multiple NO	¹⁷ Proposed Depth 11,900'	¹⁸ Formation Strawn	¹⁹ Contractor Not Known	²⁰ Spud Date 8-30-97

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	11 3/4"	42# H-80	450'	300 sx	Circulated
11"	8 5/8"	32#J-55 HC-80	4650'	1250 sx	Circulated
7 7/8"	5 1/2"	15.5# & 17#		1350 sx	As warranted
		L-80, J-55,			
		N-80, & S-95			

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Strawn and intermediate formations. Approximately 450' of surface casing will be run and cemented. Approximately 4650' of intermediate casing will be run and cemented. If commercial, production casing will be run to TD and cemented with adequate cover, perforated, and stimulated as needed for production.

MUD PROGRAM: Spud to 450' with FW Gel, Paper, LCM; to 4650' with Brine; to 9600' with Cut Brine, Starch; to TD with Salt Gel, Starch.

BOPE PROGRAM: A 5000# BOPE will be installed on the 11 3/4" casing and tested daily.
NON-STANDARD LOCATION. APPROVAL IS BEING APPLIED FOR.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Clifton R. May

Printed name:

Clifton R. May

Title:

Regulatory Agent

Date:

April 18, 1997

Phone:

(505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name WILDCAT STRAWN
Property Code	Property Name BARRY "ARD" STATE	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4018

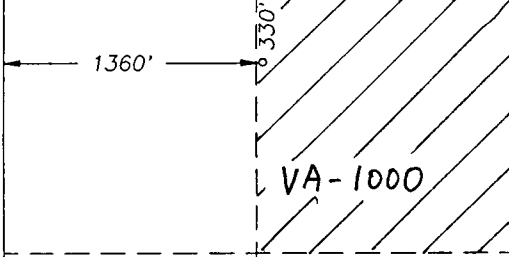
Surface Location

UL or lot No. C	Section 29	Township 15S	Range 35E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1360	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

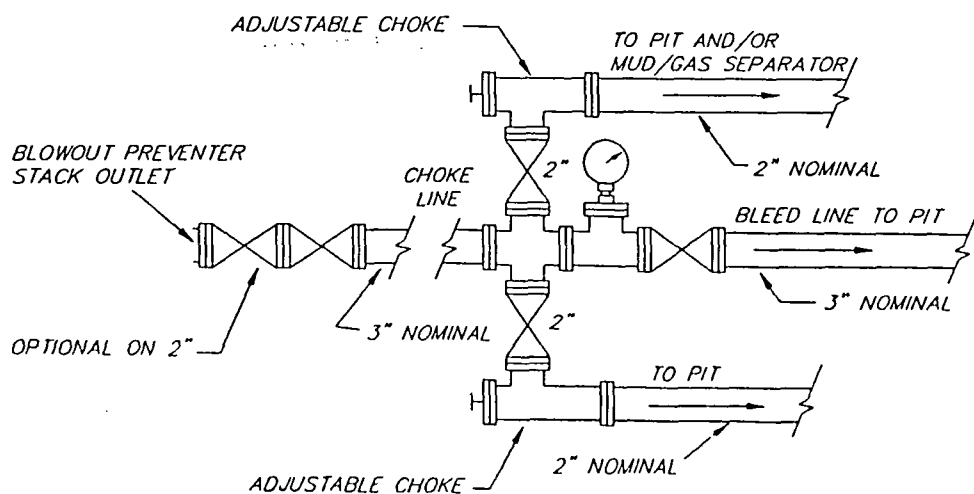
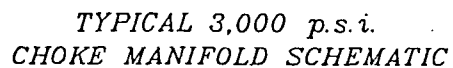
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Clifton R. May</u> Signature Clifton R. May Printed Name Regulatory Agent Title April 18, 1997 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>3/31/97 Date Surveyed Signature Professional Surveyor Certificate No. 3640 GSC DIVISION GENERAL SURVEYING COMPANY</p>
--	---

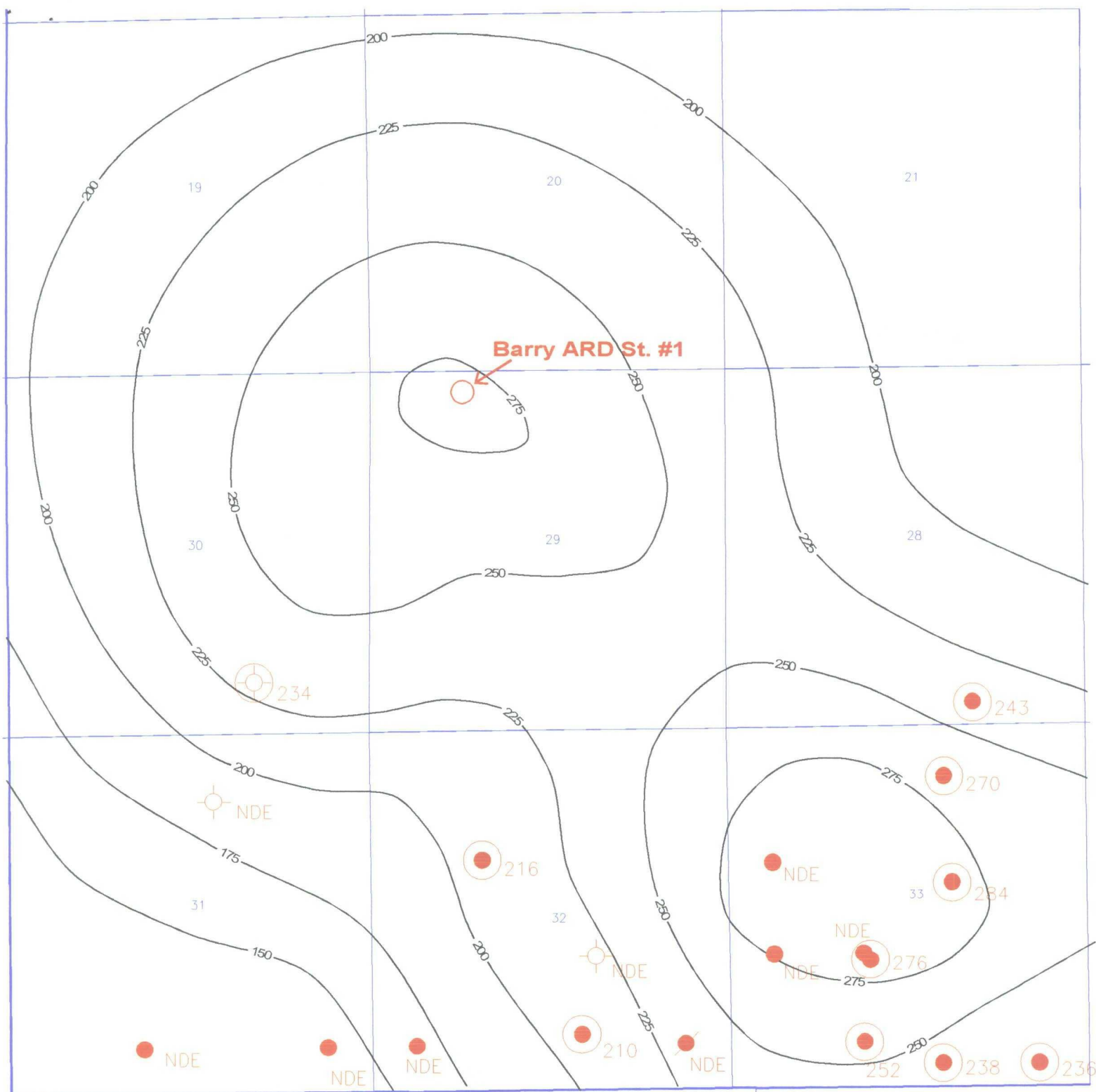
TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



<p>Anderson Corp. 3-22-96 Stoltz, Co. Huber, et al. DA 8-18-68 U.S.A. (S)</p> <p>12 2-28-98 YPC T.O. Reed Bill Graham, et al. (2/US) Ruth Shapiro (2/US)</p>	<p>Gulf 015072</p> <p>Featherstone Fed. Carper Union TD10044 DIA 4-30-89 Union Unit Fed.</p> <p>12 F201 J.M. Huber Stoltz Fed.</p> <p>Huber / Fogadou 2 U.S. Enr. A "Fed"</p>	<p>Huber Corp. J.M. Huber Superior HBO LG-2682 HBC O'Neill F235 F487 F350 F487 (Mobil) F390 P/O 2-28-98 State TXA</p>	<p>Yates Pet. et al. UMC Pet. 35% 8-17-97 8-23-96 Union Stamper Yates et al. TD10080 DIA 7-31-85 UMC Pet. 35% 8-23-96 8-17-97 Yates Pet. et al. (UMC Pet. 35%) FIS E12 Huber Superior Pooled Unit Cleveland (Jean) C. Jones</p>	<p>Yates Pet. et al. 8-1-2000 V-4705 142 25 Brown, et al. TD 5171 DA 1994</p> <p>8 Ken McGee Delta US St ypc 3-1-02 V05047</p> <p>State</p>	<p>Yates Pet. et al. 8-1-2000 V-4716 81 35</p> <p>9</p> <p>State</p>	<p>Yates Pet. et al. 8-1-2000 V-4716 81 35</p> <p>16</p> <p>State</p>	<p>Yates Pet. et al. 8-1-2000 V-4716 81 35</p> <p>10</p> <p>State M.I.</p> <p>Yates Pet. et al. UMC Pet. 35% 11-22-2000 11-21-2000 2-12-99</p> <p>Jean C. Jones</p>
<p>Headington Arreguy TD10472</p> <p>CA Fort, Est.</p>	<p>Texaco Arreguy TD10100 DIA 7-2-60</p> <p>CA Fort, Est.</p>	<p>(Taxaco) Permo. Penn. Disc. F168 Gr. Westin E-7984</p> <p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4444 92 22</p> <p>State</p>
<p>Santa Fe Ener. et al. 6-1-99 V-4383 11252</p> <p>State CA Fort, Est. (S)</p>	<p>Texaco HBP E-7984 Gr. Westin V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>	<p>Yates Pet. et al. 1-2-99 V-4465 11252</p> <p>State</p>
<p>Santa Fe Ener. et al. 5-11-2000 12-2-99 3-21-97</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>
<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>
<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>
<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>	<p>BTB (memo of opt) no term</p> <p>State CA Fort, Est. (S)</p>

OFFSET OPERATOR NOTIFICATION
UNORTHODOX LOCATION
BARRY ARD ST. #1
TOWNSHIP 15 SOUTH, RANGE 35 EAST
SECTION 29: 330' FNL AND 1360' FNL
LEA COUNTY, NEW MEXICO

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TX 79701



Yates Petroleum Corporation

Strawn Carbonate ISOPACH
Subsurface and Seismic Data
Barry ARD St. #1 Prospect

Geol: MD Hayes

5/97

S. Donaldson

Scale 1:24000.

CI=25'

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

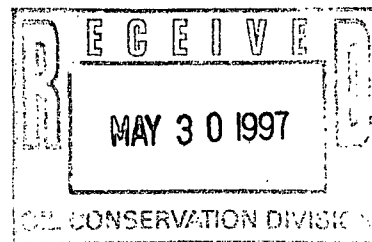


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

May 28, 1997

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508



RE: Application for Unorthodox Location
Barry ARD State No. 1
Wildcat Strawn
Township 15 South, Range 35 East
Section 29: NE/4NW/4
Lea County, New Mexico

Dear Mr. Stogner:

Please find enclosed a signed letter from BTA Oil Producers in which they waive any objection to the unorthodox drilling location proposed by Yates Petroleum Corporation of the captioned well.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

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

May 21, 1997

BTA Oil Producers
104 South Pecos
Midland, Texas 79701

CERTIFIED MAIL

Return Receipt Requested

Attention: Mr. Bob Crawford

RE: Offset Operator Notification
Unorthodox Location
Barry ARD State #1
Township 15 South, Range 35 East
Section 29: 330' FNL and 1360' FWL
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to drill the Barry ARD State #1 at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in New Mexico Oil Conservation Division Rule 104.B (1) (b) (Revised 1/96).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation.

Company: **BTA OIL PRODUCERS**

Name:

Title:

C. Robert Crawford Land/Legal Manager

Date:

May 23, 1997

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/28/97 09:15:00
OGOMES -EMD5
PAGE NO: 1

Sec : 29 Twp : 15S Rng : 35E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
MI	MI	MI	MI
VA1000 08/98	VA1000 08/98	VA1000 08/98	VA1000 08/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
E	F	G	H
40.00	40.00	40.00	40.00
MI	MI	MI	MI
VA1000 08/98	VA1000 08/98	VA1000 08/98	VA1000 08/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/28/97 09:15:09
OGOMES -EMD5
PAGE NO: 2

Sec : 29 Twp : 15S Rng : 35E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Fee owned	Fee owned	Fee owned	Fee owned
M 40.00	N 40.00	O 40.00	P 40.00
Fee owned	Fee owned	Fee owned	Fee owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

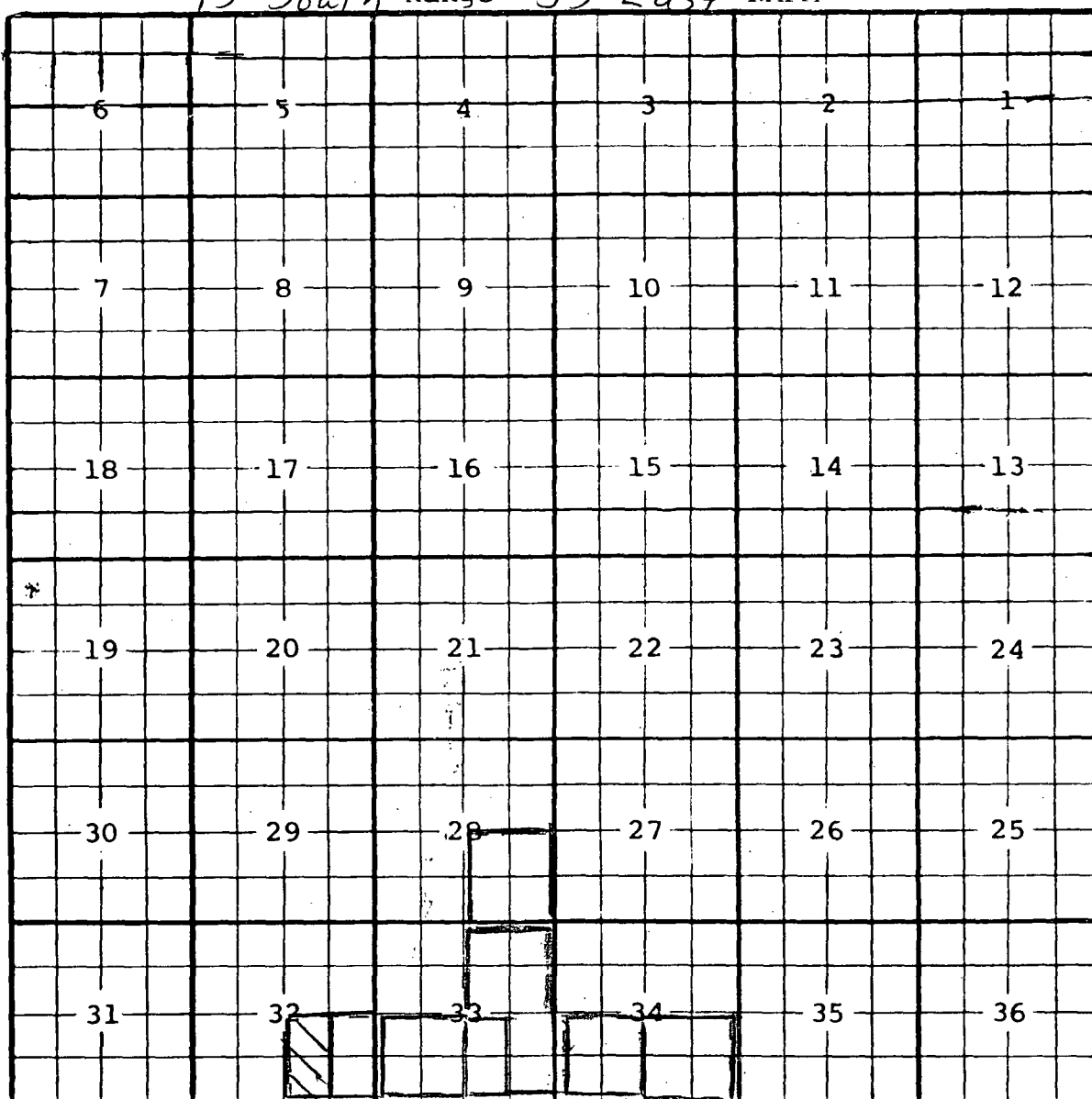
PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

County Lea Pool West Lexington-Strawn

TOWNSHIP 15 South Range 35 East NMPM



Description: $\frac{W}{2} \frac{SE}{4}$ Sec. 33 (R-9722, 9-23-92)

Pool name changed from East Big Dog-Strawn (R-9722-A, 1/26/93)

Ext: $\frac{SW}{4}$ Sec. 33 (R-10091, 3-28-94) Ext: $\frac{SW}{4}$ Sec. 34 (R-10177, 8-30-94)

Ext: $\frac{NE}{4}$ and $\frac{E}{2} \frac{SE}{4}$ Sec. 33 (R-10419, 7-17-95)

Ext: $\frac{SE}{4}$ Sec. 32, $\frac{SE}{4}$ Sec. 34 (R-10556, 3-11-96) Ext: $\frac{SE}{4}$ Sec. 28 (R-10641, 8-19-96)

Delete $\frac{W}{2} \frac{SE}{4}$ Sec. 32 (R-9722-C and R-10448-A, 2-26-97)

COUNTY

Lea

POOL

Big Dog-Strawn

TOWNSHIP

15 South

RANGE

35 East

NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: NW 1/4 Sec. 32 (R-8277, 8-14-86)

County Lea Pool South Big Dog-StrawnTOWNSHIP 15 South Range 35 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: W¹/₂ SE¹/₄ Sec. 32 (R-9722-G and R-10448-A, 2-26-97)