

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
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

December 8, 1998

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

DEC 14 1998

RE: Runnels ASP Well No. 2
Township 16 South, Range 35 East
Section 11: 1650' FSL & 2270' FEL
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests an administrative order for an unorthodox location for its Runnels ASP No. 2 well.

As per your telephone conversation with Mr. Morris Keith of our office please find enclosed our approved APD for the drilling of this well.

Yates is the Operator of the Atoka well producing in the W/2 of Section 11 and is therefore encroaching only against itself.

The East one-half (E/2) of Section 11 is owned by multiple fee owners.

Please call me @ (505) 748-4351 if you need any additional information

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

District I,
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

FILE COPY
State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 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 S. 4th Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-025-34443
⁴ Property Code 23257	⁵ Property Name Runnels "ASP"	⁶ Well No. 2

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
J	11	16S	35E		1650'	South	2270'	East	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 Townsend Morrow					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3997'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,500'	¹⁸ Formation Morrow	¹⁹ Contractor Undesignated	²⁰ Spud Date ASAP

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#	450'	300 sx	Circulate
11"	8 5/8"	32#	4750'	1300 sx	Circulate
7 7/8"	5 1/2"	15.5# & 17#	12,500'	650 sx	9000'

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 Morrow and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and cavings. Approximately 4750' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-450' FW Gel/Paper/LCM; 450'-4750' Brine; 4750'-9400' Cut Brine/Starch 9400'-11,200' Salt Gel/Starch; 11,200'-TD Salt Gel/Starch/2% KCL.
BOPE PROGRAM: BOPE will be installed on the 8 5/8" casing and tested daily for operational.

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

Signature:

Printed name:

Title:

Date:

July 1, 1998

Phone:

505-748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval:

Attached ☐

ORIGINAL SIGNED BY DAVIS WILLIAMS

DISTRICT I SUPERVISOR

JUL 06 1998

Expiration Date:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443	Pool Code 86400	Pool Name TOWNSEND MORROW
Property Code 23257	Property Name RUNNELS "ASP"	Well Number 2
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

Surface Location

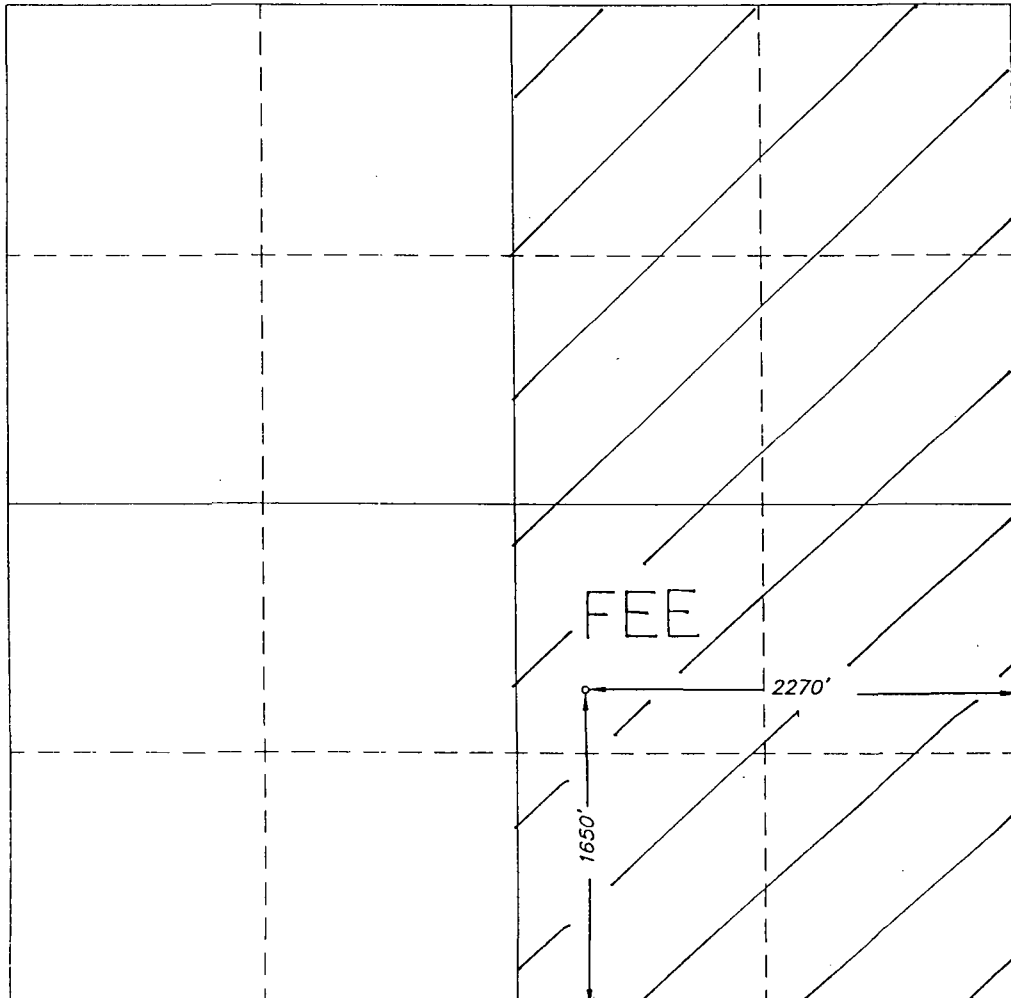
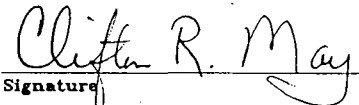
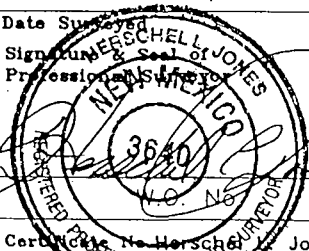
UL or lot No. J	Section 11	Township 16 S	Range 35 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 2270	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 320	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent Title July 1, 1998 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 belief. JUNE 29, 1998 Date Surveyed  Signature & Seal of Professional Surveyor Herschel L. Jones 3640 Certification No. Herschel L. Jones 3640 DISK 9 GENERAL SURVEYING COMPANY

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



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DENNIS G. KINSEY
TREASURER

Fax Cover Sheet

To: Mr. Michael Stogner
Company: Oil Conservation Division
Phone: _____
Fax: 827-~~5765~~ 1389

From: **Robert Bullock**
Company: **Yates Petroleum Corporation**
Phone: **(505) 748-1471**
Fax: **(505) 748-4572**

Date: 12-8-98
Pages including
cover page: 4

Comments:

Runners ASP No. 2

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The East one-half (E/2) of Section 11 is owned by multiple fee owners.

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Operator Name and Address: Yates Petroleum Corporation Artesia, New Mexico 88210		OGRID Number 025575 30-025-34443
Property Code 23257	Property Name Runnels "ASP"	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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Proposed Bottom Hole Location If Different From Surface

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Proposed Pool 1 Townsend Morrow					Proposed Pool 2				

Work Type Code	Well Type Code	Cable/Rotary	Lease Type Code	Ground Level Elevation
N	G	R	S	3997'
Multiple	Proposed Depth	Formation	Contractor	Spud Date
No	12,500'	Morrow	Undesignated	ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
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BOPE PROGRAM: BOPE will be installed on the 8 5/8" casing and tested daily for operational.

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

Signature:

Printed name:

Title:

Date:

CLIFTON R. MAY

REGULATORY AGENT

July 1, 1998

Phone:

505-748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval:

Attached ☐

ORIGINAL SIGNED BY: JAMES WILLIAMS

DISTRICT I SUPERVISOR

Expiration Date:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

P.O. Box 1880, Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

Revised February 10, 1994

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 9 Copies

DISTRICT II

P.O. Drawer 80, Artesia, NM 88210

DISTRICT III

1050 Elie Bruce Rd., Artesia, NM 87410

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

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Dedicated Acres 320	Joint or Infill	Consolidation Code	Well No.
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	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief. JUNE 29, 1998 Date Surveyed Signature <u>[Signature]</u> Professional Seal of Surveyor Jones 3640 GENERAL SURVEYING COMPANY

< TRANSACTION REPORT >

12-08-1998(TUE) 16:57

[TRANSMIT]

NO.	DATE	TIME	DESTINATION STATION	PG.	DURATION	MODE	RESULT
15012	12-08	16:54	505 827 5741	4	0'02'33"	NORM.E	OK
				4	0'02'33"		

YATES PETROLEUM CORPORATION
105 S. 4th Street
Artesia, NM 88210

FAX

DATE: 12-9-98

NUMBER OF PAGES INCLUDING COVER SHEET: 7

TO: Mike Stoager
NAOCB

PHONE:

FAX: 505-827-1389

CC:

FROM: Morris Keith

PHONE: 505-748-4182

FAX: 505-748-4585

REMARKS:

☐ Urgent☐ For Your Review☐ Reply ASAP☐ Please Comment

Runnels ASP #2

Reservoir Phase Behavior

Because of the initial average GOR of 31,700 SCF/STB, an API gravity of 51° and a clear condensate, we are of the opinion the liquids produced from the Atoka in the Runnels ASP #2 are in the gas phase in the reservoir. (See Attachment #1) More specifically, this is a wet gas at reservoir conditions as determined from Table 1 of "Revised Gas Oil Ratio Criteria Key Indicator of Reservoir Fluid Type", William McCain, Petroleum Engineer International, April 1994. (See Attachment #2)

Since this is a wet gas in the reservoir, it will probably remain a gas throughout the productive life of the well. According to McCain, The Properties of Petroleum Fluids, 2nd ed., 1990, no liquid will be formed in the reservoir. (See Attachment #3) If there is no liquid formed in the pore space then there will not be a reduction in the gas relative permeability over the life of the well.

Attachment 1

Runnels ASP #2

API = 51° Condensate Color = Clear

<u>Date</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>	<u>Tubing Pressure</u>	<u>Yield (bbl/mmcft)</u>	<u>GOR (mcf/stb)</u>
1-Nov-98	92	2972	6	1010	31.0	32.3
2-Nov-98	94	2937	3	1010	32.0	31.2
3-Nov-98	92	2904	6	1010	31.7	31.6
4-Nov-98	95	2984	3	1010	31.8	31.4
5-Nov-98	114	2865	3	1010	39.8	25.1
6-Nov-98	93	3051	3	1010	30.5	32.8
7-Nov-98	97	2782	0	1010	34.9	28.7
8-Nov-98	94	2780	3	1000	33.8	29.6
9-Nov-98	99	2942	3	1010	33.7	29.7
10-Nov-98	94	2885	3	1050	32.6	30.7
11-Nov-98	96	2796	3	1050	34.3	29.1
12-Nov-98	98	2531	6	1010	38.7	25.8
13-Nov-98	95	2843	3	1010	33.4	29.9
14-Nov-98	97	2697	6	1010	36.0	27.8
15-Nov-98	93	2874	3	1010	32.4	30.9
16-Nov-98	89	2799	3	1010	31.8	31.4
17-Nov-98	78	2776	3	1010	28.1	35.6
18-Nov-98	45	1445	0	1250	31.1	32.1
19-Nov-98	92	2716	3	1150	33.9	29.5
20-Nov-98	75	2835	3	1050	26.5	37.8
21-Nov-98	86	2985	3	1025	28.8	34.7
22-Nov-98	91	2767	3	1010	32.9	30.4
23-Nov-98	86	2939	3	1010	29.3	34.2
24-Nov-98	97	2972	3	1000	32.6	30.6
25-Nov-98	55	2196	3	1150	25.0	39.9
26-Nov-98	77	2527	3	1100	30.5	32.8
27-Nov-98	83	2878	3	1050	28.8	34.7
28-Nov-98	81	2684	3	1050	30.2	33.1
29-Nov-98	98	2861	3	1025	34.3	29.2
30-Nov-98	72	2756	6	1010	26.1	38.3
Average					31.9	31.7

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(TITLE 17 U.S. CODE)

Revised Gas-Oil Ratio Criteria Key Indicators Of Reservoir Fluid Type

Part 5: The previous four articles in this series revealed the differences and similarities among the five reservoir fluids in detail.¹⁻⁴ This concluding article discusses guidelines for using field data to determine the fluid type, the laboratory evidence that verifies fluid type and the production behavior of the five fluids.

Table 1 gives the guidelines for determining fluid type from field data. Three properties are readily available: the initial producing gas-oil ratio (GOR), the gravity of the stock-tank liquid and the color of the stock-tank liquid.¹ Initial producing GOR is by far the most important of the indicators and should be considered first, with the other two indicators used to confirm fluid type. Stock-tank liquid gravity and color are both indicators of the quantity of heavy components present in the initial reservoir fluid. Darker colors are associated with the largest, heaviest molecules in the petroleum mixture.

If any one of these three properties fails to meet the criteria of Table 1, the test fails and a representative sample of the reservoir fluid must be examined in a laboratory to establish fluid type.

The initial producing GOR guidelines given in Table 1 are somewhat different than rules presented by other authors. The rationales for selection of the values in Table 1 are given in the previous articles in this

series.²⁻⁴ These articles are the first to present empirical evidence to support the selection of GOR criteria for identifying fluid type.

Table 2 shows the expected laboratory analysis results of the five fluids. The oils will exhibit bubble points, the retrograde gases will display dew points, and the other gases will demonstrate no phase change throughout the pressure range expected in the reservoir. The heptanes plus composition cutoff between black oils and volatile oils (20 mole %) is not exact. Values from 19 to 22 mole % might be observed.² However, the cutoff of 12.5 mole % between volatile oils and retrograde gases is fairly sharp.³ The compositions of 4 mole % and 0.7 mole % for

the other gases are based on engineering applications. ~~Some retrograde liquid will likely occur in the reservoir in either case.~~^{4,5}

Oil formation volume factor has been defined for use in oil material balance calculations. Since these calculation procedures are not applicable to volatile oils, formation volume factor usually is not measured for volatile oils. But one laboratory result that indicates the presence of a volatile oil is an oil formation volume factor at bubble-point pressure of 2.0 res bbl/STB or greater.

Production Characteristics

Production trends for the five fluids are shown in Table 3. Producing GOR is constant for oils as long as reser-

TABLE 1. FIELD IDENTIFICATION OF RESERVOIR FLUIDS

	Black oil	Volatile oil	Retrograde oil	Wet gas	Dry gas
Initial producing gas-liquid ratio, scf/STB	<1,750	1,750 to 3,200	>3,200	>15,000*	100,000
Initial stock-tank liquid gravity, °API	<45	>40	>40	Up to 70	No liquid
Color of stock-tank liquid	Dark	Colored	Lightly colored	Water-white	No liquid

* For engineering purposes.

by William D. McCain Jr., S.A. Holditch and Associates, College Station, Texas

THE PROPERTIES OF PETROLEUM FLUIDS

SECOND EDITION

WILLIAM D. McCAIN, Jr.

PennWell Books
PennWell Publishing Company
Tulsa, Oklahoma

Wet Gas Phase Diagram

The entire phase diagram of a hydrocarbon mixture of predominately smaller molecules will lie below reservoir temperature. An example of the phase diagram of a *wet gas* is given in Figure 5-4.

A wet gas exists solely as a gas in the reservoir throughout the reduction in reservoir pressure. The pressure path, line 12, does not enter the phase envelope. Thus, no liquid is formed in the reservoir. However, separator conditions lie within the phase envelope, causing some liquid to be formed at the surface.

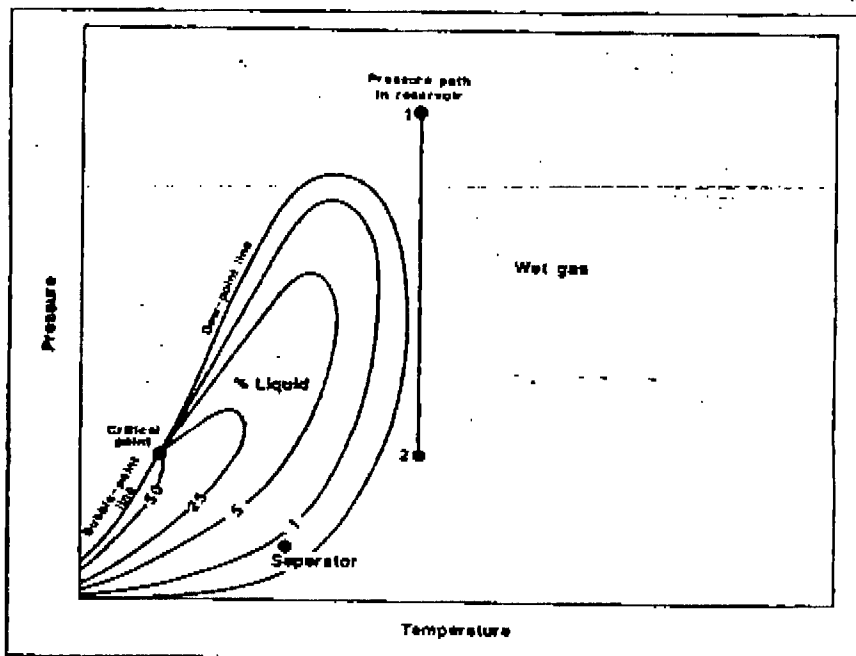


Fig. 5-4. Phase diagram of a typical wet gas with line of isothermal reduction of reservoir pressure, 12, and surface separator conditions.

12/09/98 16:43 505 748 4585
12/07/1998 15:54 4058495773

YATES PET ENG
OKC SALES

0006
PAGE 04

CUDD PRESSURE CONTROL OKLAHOMA CITY 405 842 2800 15:48:50 12-07-1998
PRODUCTION ASSOCIATES' PRODUCING WELL PRESSURE GRADIENT CALCULATION

YATES PETROLEUM
RUNNELS ASP ST CM #1

3

BEGGS AND BRILL CORRELATION
SOLUTION GAS-OIL RATIO USES LASATER

LIQUID FLOW RATE (STB/D) = 80
GAS FLOW RATE (MSCF/D) = 2776
WELLHEAD PRESSURE (PSIG) = 500
WELLHEAD TEMPERATURE (DEG F) = 75
BOTTOM HOLE TEMPERATURE (DEG F) = 185
WATER-LIQUID RATIO (STBW/STB) = .025
CONDENSATE API GRAVITY (DEG) = 58
WATER SPECIFIC GRAVITY = 1.06
FORMATION GAS SPECIFIC GRAVITY (AIR = 1) = .58
% OF H2S CONTENT (MOLE PERCENT) = 0
% OF CO2 CONTENT (MOLE PERCENT) = 0

NUMBER OF CASING SECTIONS (MAX = 4) = 1

1 CASING SECTION INSIDE DIAMETER (INCH) = 4.892
1 CASING SECTION MEASURED DEPTH (FT) = 12620
1 CASING SECTION TRUE VERTICAL DEPTH (FT) = 12620

NUMBER OF TUBING SECTIONS (MAX = 5) = 1

1 TUBING SECTION INSIDE DIAMETER (INCH) = 2.441
1 TUBING SECTION OUTSIDE DIAMETER (INCH) = 2.875
1 TUBING SECTION MEASURED DEPTH (FT) = 11600

MEASURED PERFORATION DEPTH (FT) = 11600
FLUID FLOW PATH (1 = ANNULAR, 2 = TUBING) = 1

Annular flow, whp = 500 psi

12/09/98 16:44 505 748 4585
12/07/1998 15:54 4058485773

YATES PET ENG
OKC SALES

007
PAGE 05

CUDD PRESSURE CONTROL OKLAHOMA CITY 405 842 2800 15:48:50 12-07-1998
PRODUCTION ASSOCIATES' PRODUCING WELL PRESSURE GRADIENT CALCULATION

YATES PETROLEUM
RUNNELS ASP ST CM #1

4

BEGGS AND BRILL - LAGATER

GAS FLOW RATE (MSCF/D) = 2776.00

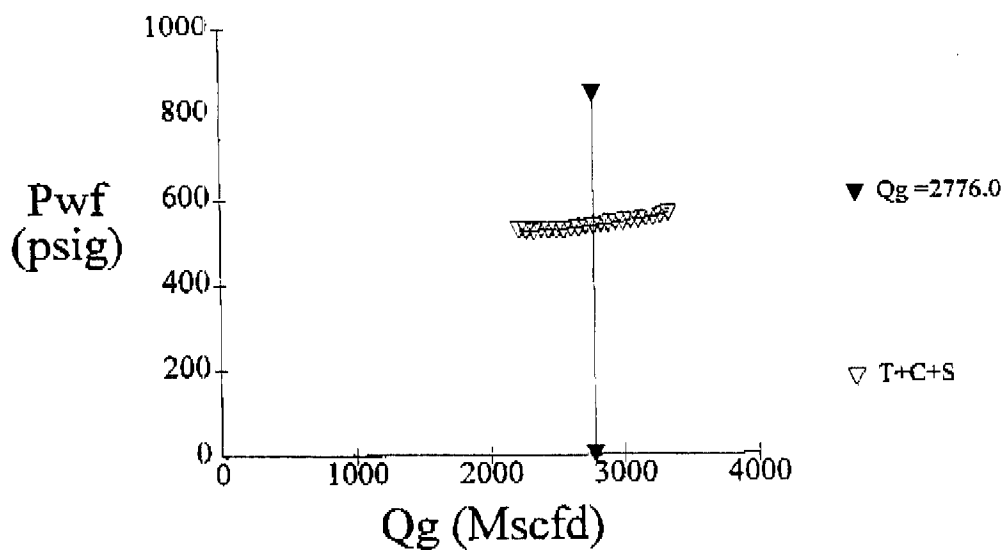
FLUID FLOW RATE (STB/D) = 80.00 FLUID PRODUCING THROUGH ANNULUS

MEAS-DEPTH (FT)	PRESSURE (PSIG)	TEMPERATURE (DEG F)	VELOCITY (FT/SEC)	DENSITY (LBM/FT3)	LIQUID HOLDUP	FLOW REGIME
0	500	75	10.01	7.65	0.132	ANNULAR
600	534	81	9.49	7.94	0.137	ANNULAR
1200	568	86	9.01	8.23	0.142	ANNULAR
1800	604	92	8.58	8.53	0.147	ANNULAR
2400	641	98	8.18	8.82	0.153	ANNULAR
3000	679	103	7.81	9.10	0.158	ANNULAR
3600	718	109	7.46	9.38	0.163	ANNULAR
4200	759	115	7.15	9.67	0.168	ANNULAR
4800	800	121	6.85	9.91	0.172	ANNULAR
5400	842	126	6.58	10.17	0.177	ANNULAR
6000	886	132	6.33	10.43	0.182	ANNULAR
6560	927	137	6.11	10.68	0.187	ANNULAR
7120	970	143	5.91	10.92	0.191	ANNULAR
7680	1013	148	5.71	11.17	0.196	ANNULAR
8240	1058	153	5.53	11.41	0.201	ANNULAR
8800	1103	158	5.36	11.65	0.205	ANNULAR
9360	1149	164	5.19	11.89	0.210	ANNULAR
9920	1196	169	5.04	12.13	0.215	ANNULAR
10480	1244	174	4.90	12.37	0.220	ANNULAR
11040	1293	180	4.76	12.61	0.225	ANNULAR
11600	1343	185				

FROM

(MON) 12. 7' 98 16:04/ST. 16:01/NO. 4860111138 P 9

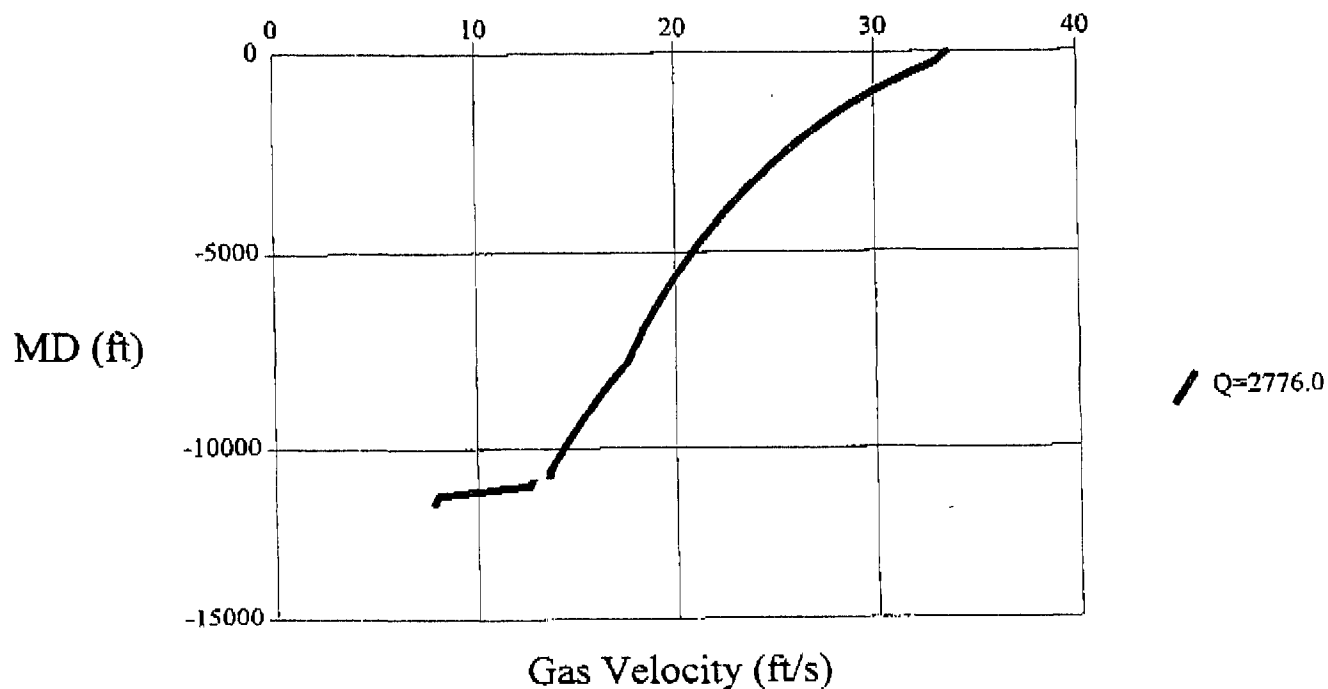
Pressures at Bottom Hole Node



FROM

(MON) 12. 7' 98 16:04/ST. 16:01/NO. 4860111136 P 10

Gas Velocity Profile



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Yates Petroleum Corporation 105 S. 4th Street, Artesia, NM 88210
Operator Address
Runnels ASP 2 J 11 16S 35E Lea
Lease Well No. Unit Lr. - Sec - Twp - Rge County

All applicants for multiple completion must complete items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Shoe Bar North Strawn		North Shoe Bar Atoka
b. Top and Bottom of Pay Section (Perforations)	11385-11470		12008-12025
c. Type of production (Oil or Gas)	Oil		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	(ESTIMATED) 440 BOPD 700 MCFGPD 0 BWPD		(ACTUAL) 2874 MCFGPD 93 BOPD

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plan showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112.)

OPERATOR:

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

Signature

Morris Keith

Printed Name & Title Morris Keith, Operations Engineer

Date November 24, 1998 Telephone 505-748-4182

OIL CONSERVATION DIVISION

Approved by: _____

Title: _____

Date: _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard production unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- 1) District Approval - See rule 112-A-B - Submit 4 copies of Form C-107 with attachments to appropriate district office.
- 2) Division Director Administrative Approval - See Rule 112-C - Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- 3) Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 30, 1998

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attention: Morris Keith

Re: *Application of Yates Petroleum Corporation for administrative approval to dually complete its Runnels "ASP" Well No. 2 (API No. 30-025-34443), located 1650 feet from the South line and 2270 feet from the East line (Unit J) of Section 11, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, in both the Strawn (Oil) formation and the Atoka (Gas) formation.*

Dear Mr. Keith:

Reference is made to the subject application dated November 24, 1998. Since the reported liquid production for the Atoka interval is in excess of one barrel per day, please submit the required technical information pursuant to Division Rule 112-A.C(2) [see copy attached).

Furthermore, in my review of this application I found no reference to any previous approval of an unorthodox location for this well. Please submit a copy of any such Division order along with the required technical data.

Thank you for your cooperation in this matter, and should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Chris Williams, N.M.O.C.D. - Hobbs
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe

and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location of packers, side door chokes, and such other information as may be pertinent. [2-1-82...2-1-96]

(3) The district supervisor may forward any application to the Director of the Division for approval. [2-1-82...2-1-96]

112-A.C. Administrative Approval (Division Director)

(1) The Division Director may authorize the multiple completion (qualifying conventional, tubingless, or combination) not qualifying for District approval or referred to him by the district supervisor. [2-1-82...2-1-96]

(2) When any gas zone of a proposed multiple completion is to be produced through a casing-tubing annulus and such zone produces more than one barrel per day of liquids, the applicant shall furnish proof that such liquids may be efficiently produced without undue use of reservoir energy for the expected producing life of the well. [2-1-82...2-1-96]

(3) Application for administrative approval of a multiple completion shall be made in QUADRUPLICATE, with two copies of the application to be mailed to the Division's Santa Fe Office, and two copies to the District office for the area in which the well is located. Application shall be made on the Division Form C-107 (Application for Multiple Completion) and shall be accompanied by the following:

- (a) Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location of packers, side door chokes, and such other information as may be pertinent.
- (b) Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as hereinafter provided.)

[2-1-82...2-1-96]

(4) Upon receipt of a complete application the Division Director may approve the matter administratively or he may set any such application for public hearing. [2-1-82...2-1-96]

112-A.D. Qualifying Multiple Completions

(1) The following defines those mechanical installations qualifying for District or Administrative approval of multiple completion. [2-1-82...2-1-96]

- (a) The applicant proposes to utilize one of the conventional mechanical installations described below:
 - (i) The well is to be completed as a gas-gas dual or as a gas-gas-gas triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing or a combination of tubing string(s) and the tubing-casing annulus; or
 - (ii) The well is to be completed as an oil-oil dual or as an oil-oil-oil triple and the hydrocarbons from each of the zones can be safely and efficiently

District I
PO Box 1988, Hobbs, NM 88241-1988
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

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

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

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 THIS WELL HAS BEEN PLACED IN THE POOL DESCRIBED BELOW. IF YOU DO NOT CONCUR WITH THIS OFFICE.		OGRID Number 025575
Reason for Filing Code NW		
API Number 30 - 0 25-34443	Pool Name Shoe Bar Atoka, North	Pool Code 96763
Property Code 23257	Property Name Runnels ASP	Well Number 2

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16S	35E		1650	South	2270	East	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code P	Producing Method Code F	Gas Connection Date 10-12-98	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822083	O	Unit J - Section 11-T16S-R35E
147831	Agave Energy Co. 105 South Fourth Street Artesia, NM 88210	2822153	G	Unit J - Section 11-T16S-R35E

IV. Produced Water

POD	POD ULSTR Location and Description
2822154	Unit J - Section 11-T16S-R35E

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
RH 7-28-98 RT 7-30-98	10-6-98	12620'	12409'	12008-12025'
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
22"	16"	40'	Cement to surface	
14-3/4"	11-3/4"	429'	380 sx - circulate	
11"	8-5/8"	4760'	1550 sx - circulate	
7-7/8"	5-1/2"	12620'	1825 sx	

VI. Well Test Data 2-7/8" 11632'

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Cap. Pressure
10-12-98	10-12-98	10-21-98	24 hours	1350#	Packer
Choke Size	Oil	Water	Gas	AOF	Test Method
17/64"	86	0	2189		Flow Test

" I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Rusty Klein*
Printed name: Rusty Klein

Title: Operations Technician

Date: November 9, 1998 Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by: *Chris Wilson*
Title: DISTRICT 1 SUPERVISOR

Approval Date: NOV 17 1998

" If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-105
Revised 1-1-89

WELL API NO.
30-025-34443

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Runnels ASP

8. Well No.

2

9. Pool name or Wildcat

Shoe Bar Atoka, North

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 ☐ OTHER ☐

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

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

4. Well Location
Unit Letter J : 1650 Feet From The South Line and 2270 Feet From The East Line

Section 11 Township 16S Range 35E NMPM Lea County

10. Date Spudded RH 7-28-98
RT 7-30-98
11. Date T.D. Reached 9-16-98
12. Date Compl. (Ready to Prod.) 10-6-98
13. Elevations (DF& RKB, RT, GR, etc.) 3997' GR
14. Elev. Casinghead

15. Total Depth 12620'
16. Plug Back T.D. 12409'
17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By Rotary Tools 40-12620' Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 12008-12025' Atoka
20. Was Directional Survey Made No

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

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#	429'	14-3/4"	380 sx - circulate	
8-5/8"	32#	4760'	11"	1550 sx - circulate	
5-1/2"	17#	12620'	7-7/8"	1825 sx	

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET
				2-7/8"	11632'	11641'

26. Perforation record (interval, size, and number)
12008-12025' w/72 .41" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
12008-12025' Frac'd w/39500 gals 700
binary foam, 3000g methanol 40# CMHPG, 70
tons CO2, 450000 scf N2 & 47000# 20-40

28. PRODUCTION interprop							
Date First Production 10-12-98		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 10-21-98	Hours Tested 24	Choke Size 17/64"	Prod'n For Test Period	Oil - Bbl. 86	Gas - MCF 2189	Water - Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 1350#	Casing Pressure Packer	Calculated 24-Hour Rate	Oil - Bbl. 86	Gas - MCF 2189	Water - Bbl. 0	Oil Gravity - API - (Corr.) N/A	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
Sold
Test Witnessed By
Rocky Harper

30. List Attachments
Drill Stem Tests, 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 11-9-98

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

T. Anhy	T. Canyon
T. Salt	T. Strawn 11323'
B. Salt	T. Atoka 11653'
T. Yates 3111'	T. Miss Lime 12532'
T. 7 Rivers	T. Devonian
T. Queen	T. Silurian
T. Grayburg	T. Montoya
T. San Andres 4717'	T. Simpson
T. Glorieta 6276'	T. McKee
T. Paddock	T. Ellenburger
T. Blinberry	T. Gr. Wash
T. Tubb	T. Delaware Sand
T. Drinkard	T. Bone Springs
T. Abo 8125'	T. Morrow Lime 12080'
T. Wolfcamp 9610'	T. Austin Cycle 12248'
T. Penn	T. Chester 12402'
T. Cisco (Bough C)	T.

Northwestern New Mexico

T. Ojo Alamo	T. Penn. "B"
T. Kirtland-Fruitland	T. Penn. "C"
T. Pictured Cliffs	T. Penn. "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzie
Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
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	429	429	Surface				
429	605	176	Redbed & anhydrite				
605	1570	965	Redbed				
1570	2245	675	Redbed, salt & anhydrite				
2245	3285	1040	Anhydrite & salt				
3285	4320	1035	Anhydrite & dolomite				
4320	4841	521	Anhydrite, dolo & shale				
4841	5410	569	Anhydrite & dolomite				
5410	8130	2720	Anhy, dolo, shale & sand				
8130	9070	940	Dolomite, anhy & shale				
9070	9600	530	Dolo, lime, shale & anhy				
9600	10125	525	Lime, shale, dolo & sand				
10125	11355	1230	Lime, shale & sand				
11355	11426	71	Lime & shale				
11426	11704	278	Lime				
11704	12494	790	Lime, shale & sand				
12494	12620	126	Lime & shale				

YATES PETROLEUM CORPORATION
Runnels ASP #2
Section 11-T16S-R35E
Lea County, New Mexico

RESULTS OF DRILL STEM TESTS:

DST #1 11354-11405': Misrun

DST #2 11354-11405' (Strawn): TIMES: TO 7"; SI 60"; TO 60"; SI 180". RECOVERY:
2137' of oil and 81' of mud. SAMPLER: 12.1 cfg, 1050 cc oil and 100 cc mud.
PRESSURES: IHP 5475; IFP 3242-3299; ISIP 4232; FFP 4018-4116; FSIP 4229; FHP
5442

Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443	Pool Code 96763	Pool Name North Shoe Bar Atoka
Property Code 23257	Property Name RUNNELS "ASP"	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

Surface Location

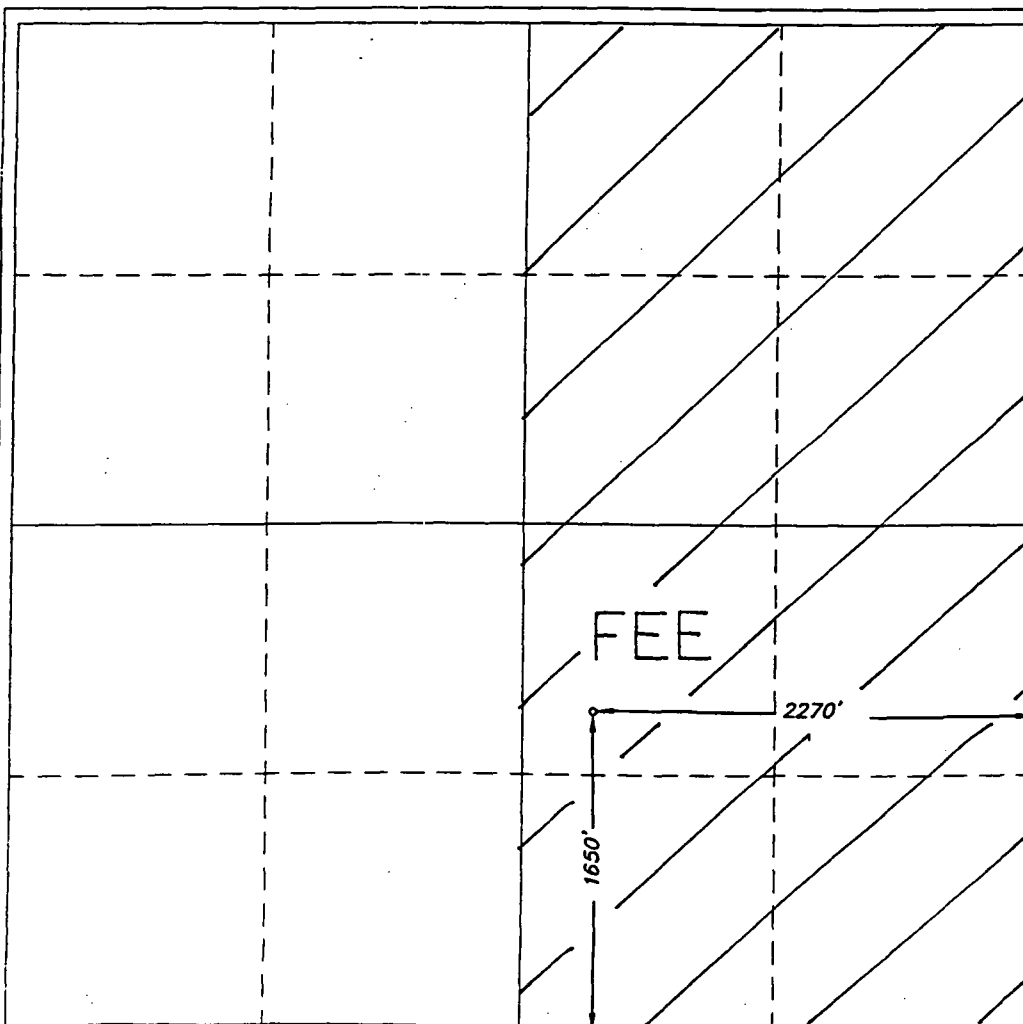
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16 S	35 E		1650	SOUTH	2270	EAST	LEA

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 320	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



OPERATOR CERTIFICATION

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

Clifton R. May
Signature

Clifton R. May

Printed Name

Regulatory Agent

Title

July 1, 1998

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 belief.

JUNE 29, 1998

Date Surveyed	JUNE 29, 1998
Signature	<i>W. H. Jones</i>
Professional Seal	
Card No.	3640
Professional Land Surveyor	W. H. Jones
General Surveying Company	DISK 9

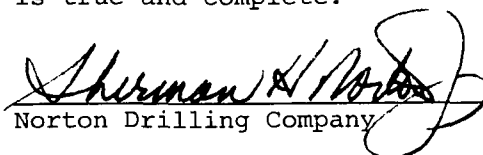
Deviation surveys taken on Yates Petroleum Corporation's Runnels ASP #2
well in Lea County, New Mexico: Unit J 11-16-35

1650/S + 2270/E


30-025-34443

<u>Depth</u>	<u>Degree</u>
190	.75
429	.75
659	1.00
1002	.75
1282	.75
1527	1.00
1746	.75
1901	.75
2088	.50
2274	.50
2523	.75
2773	.50
3026	1.00
3088	.75
3335	.75
3580	.75
3922	.25
4295	.75
4760	1.00
5226	.75
5723	1.25
6220	1.25
6717	1.00
7190	1.25
7475	1.25
7971	1.00
8474	1.00
8977	.75
9488	1.00
9973	1.00
10,477	1.50
10,728	1.25
10,977	1.50
11,195	1.50
11,405	1.25
11,659	1.25
11,907	1.75
12,005	1.50
12,250	3.00
12,345	2.75
12,620	2.25

I hereby certify that I have personal knowledge of the facts placed on this
sheet and that such information given above is true and complete.

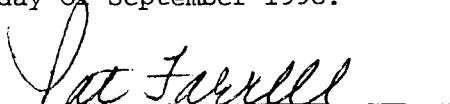

Norton Drilling Company

Before me, the undersigned authority, on this day personally appeared Sherman H. Norton, Jr., known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the drilling contractor of the well identified in this instrument and that such well was not intentionally deviated from the vertical whatsoever.


Sherman H. Norton, Jr.

SWORN AND SUBSCRIBED TO before me this 24th day of September 1998.




Notary Public in and for
Lubbock County, Texas.

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-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
75 BOPD & 2200 MCFPD		Reason for Filing Code Test perms 12008-12025' (Atoka) down line for October, 1998
API Number 30 - 0 25-34443	Pool Name Undesignated Atoka	Pool Code 96-763
Property Code 23257	Property Name Runnels ASP	Well Number 2

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
J	11	16S	35E		1650	South	2270	East	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
Lee Code P	Producing Method Code F	Gas Connection Date 10-12-98	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822083	O	Unit J - Section 11-T16S-R35E
147831	Agave Energy Co. 105 South Fourth St. Artesia, NM 88210	2822153	G	Unit J - Section 11-T16S-R35E

IV. Produced Water

POD	POD ULSTR Location and Description
2822154	Unit J -- Section 11-T16S-R35E

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

" I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Rusty Klein

Title:

Operations Technician

Date: Oct. 9, 1998

Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Geologist

Approval Date:

OCT 20 1998

" If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature:

Printed Name

Title

Date

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. 30-025-34443
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Runnels ASP
8. Well No. 2
9. Pool name or Wildcat Townsend Morrow

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>J</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>2270</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <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 22" hole with rat hole machine at 10:00 AM 7-28-98. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified Sylvia w/OCD-Hobbs of spud. Resumed drilling a 14-3/4" hole with rotary tools at 1:00 AM 7-30-98.

TD 429'. Reached TD at 7:00 AM 7-30-98. Ran 10 joints of 11-3/4" 42# H-40 8rd ST&C (433.54') of casing set at 429'. 1-Texas Pattern notched guide shoe set at 429'. Insert float set at 385'. Cemented with 180 sacks Halliburton Premium Plus, 1/4#/sack flocele and 2% CaCl2 (yield 1.32, weight 14.8). Tailed in with 200 sacks Halliburton Premium Plus and 2% CaCl2 (yield 1.32, weight 14.8). PD 12:00 PM 7-30-98. Bumped plug to 600 psi, OK. Circulated 85 sacks. WOC. Cut off and welded on flow nipple. Drilled out at 7:30 AM 7-31-98. WOC 19 hours and 30 minutes. Reduced hole to 11". Resumed drilling. NOTE: Notified Linda w/OCD-Hobbs of cementing - did not witness.

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 Aug. 6, 1998
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 20 1998
CONDITIONS OF APPROVAL, IF ANY:

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. 30-025-34443
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Runnels ASP
8. Well No. 2
9. Pool name or Wildcat Townsend Morrow
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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 J : 1650 Feet From The South Line and 2270 Feet From The East Line Section 11 Township 16S Range 35E NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Intermediate 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.
TD 4760'. Reached TD at 6:15 PM 8-9-98. Ran 109 joints of 8-5/8" 42# casing as follows: 13 joints of 8-5/8" 42# H-40 8rd ST&C (569.36') and 96 joints of 8-5/8" 42# H-40 8rd ST&C (4199.82') (Total 4769.18') of casing set at 4760'. Float shoe set at 4760'. Float collar set at 4717'. Cemented with 1300 sacks Halliburton Interfill C, 1/4#/sack flocele (yield 2.42, weight 11.9). Tailed in with 250 sacks Halliburton Premium Plus with 2% CaCl2 (yield 1.32, weight 14.8). PD 8:30 AM 8-10-98. Bumped plug to 2060 psi, OK. WOC. Nipped up and tested to 5000 psi for 30 minutes, OK. Drilled out at 12:00 PM 8-11-98. WOC 27 hours and 30 minutes. Reduced hole to 7-7/8". Resumed drilling.

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 Aug. 24, 1998

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 20 1998

CONDITIONS OF APPROVAL, IF ANY:

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. 30-025-34443
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

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	7. Lease Name or Unit Agreement Name Runnels ASP
2. Name of Operator YATES PETROLEUM CORPORATION	8. Well No. 2
3. Address of Operator 105 South 4th St., Artesia, NM 88210	9. Pool name or Wildcat Townsend Morrow
4. Well Location Unit Letter <u>J</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>2270</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Perforate & frac <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.

9-26-28-98 - Cleaned location, set and tested anchors. Moved in pulling unit.
9-29-98 - Rigged up pulling unit. Nippled up BOP. TIH with bit, scraper and tubing and tagged PBTD at 12409'.
9-30-98 - Pickled tubing with 500 gallons 15% HCL acid. Tested BOP to 3500 psi. TOOH with tubing, scraper and bit. Rigged up wireline. TIH with logging tools and ran CBL/GR/CCL log. Rigged down wireline. TIH with 30 stands to displace hole 300'. NOTE: Need air cushion before shooting stim guns. TOOH with tubing.
10-9-98 - Rigged up wireline and lubricator. TIH with 3-3/8" stim guns and perforated 12008-12025' w/72 .41" holes (4 SPF - Atoka). TOOH with stim guns. Rigged down wireline and lubricator. TIH with 1.81" F nipple, 10 joints tailpipe, packer and tubing. Bottom of tailpipe at 11937'. Packer at 11609'. Nippled down BOP and nipped up 5K tree. Tested packer and tree to 3000 psi, OK. Swabbed well down. Shut well in.
10-2-98 - Rigged up treesaver. Attempted to frac - had leak in crossover. Shut down. Rigged down treesaver. Pumped 75 bbls 2% KCL water with non-ionic surfactant. Nippled

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

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE Oct. 8, 1998
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Paul J. Kuntz TITLE Geologist DATE OCT 20 1998
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
Runnels ASP #2
Section 11-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

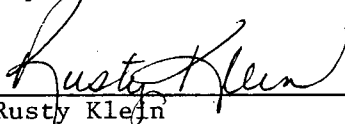
down tree and nipped up BOP. Released packer. Reversed 120 bbls. TOOH with tubing and packer. TIH with knock out plug and tailpipe, packer and tubing. Set packer at 11609'. Tested to 1000 psi, OK. Dropped bar. Knocked out plug. Well started gassing. Tested packer to 1000 psi, OK. Swabbed.

10-3-98 - Rigged up treesaver. Attempted to frac - shut down. Rigged down treesaver. Bled well down. Pumped 70 bbls 2% KCL down tubing. Nipped down tree. Nipped up BOP. Released packer. TOOH with tubing and packer. Rigged up Bo Monk pipe testers. TIH with 1.81" F nipple, 10 joints tailpipe, Arrow-set packer and tubing. Tested tubing to 10000 psi, OK. Nipped down BOP and nipped up tree. Set packer at 11641'. Tested packer and tree to 2500 psi, OK. Swabbed well down.

10-4-98 - Rigged up treesaver. Frac'd perforations 12008-12025' (Atoka) with 39500 gallons 70Q binary foam, 3000 gallons methanol 40# CMHPG, 70 tons CO2, 450000 scf N2 and 47000# 20-40 Interprop. Rigged down treesaver. Shut well in for 2 hours. Opened well up and flowing back frac. Shut well in.

10-5-98 - Flowed back. Shut well in.

10-6-98 - Released well to production department.



Rusty Klein
Operations Technician
October 8, 1998

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-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
Reason for Filing Code Sell approx. 75 BO recovered on DST - 11354-11405 (Strawn)		
AFT Number 30 - 0 25-34443	Pool Name N Shoe Bear Undesignated Strawn	Pool Code 56270
Property Code 23257	Property Name Runnels ASP (DRILLING WELL)	Well Number 2

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West line	County
J	11	16S	35E		1650	South	2270	East	Lea

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code P	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822683	0	Unit J - Section 11-T16S-R35E

IV. Produced Water

POD	POD ULSTR Location and Description

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method
I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Rusty Klein			OIL CONSERVATION DIVISION Approved by: Gary W. Wink Title: GARY W. WINK Approval Date: FIELD REPRESENTATIVE II OCT 06 1998		
Printed name: Rusty Klein					
Title: Operations Technician					
Date: Sept. 11, 1998			Phone: 505-748-1471		

If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

District I
PO Box 1330, 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-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443		Pool Code 56270	Pool Name N Shoe Bar Undesignated Strawn
Property Code 23257	Property Name Runnels ASP		Well Number 2
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3979'

¹⁰ Surface Location

UL or lot no. J	Section 11	Township 16S	Range 35E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 2270	East/West line East	County Lea
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¹¹ 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
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16					<p>1650'</p> <p>2270'</p>	¹⁷ OPERATOR CERTIFICATION	
						I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
						Signature Rusty Klein Printed Name Operations Technician Title September 11, 1998 Date	
						¹⁸ 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 belief.	
						REFER TO ORIGINAL PLAT	
						Date of Survey	
						Signature and Seal of Professional Surveyor:	
						Certificate Number	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 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 S. 4th Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-025-34443
⁴ Property Code 23257	⁵ Property Name Runnels "ASP"	⁶ Well No. 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16S	35E		1650'	South	2270'	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

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

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3997'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,500'	¹⁸ Formation Morrow	¹⁹ Contractor Undesignated	²⁰ Spud Date ASAP

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#	450'	300 sx	Circulate
11"	8 5/8"	32#	4750'	1300 sx	Circulate
7 7/8"	5 1/2"	15.5# & 17#	12,500'	650 sx	9000'

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 Morrow and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and cavings. Approximately 4750' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-450' FW Gel/Paper/LCM; 450'-4750' Brine; 4750'-9400' Cut Brine/Starch 9400'-11,200' Salt Gel/Starch; 11,200'-TD Salt Gel/Starch/2% KCL.
BOPE PROGRAM: BOPE will be installed on the 8 5/8" casing and tested daily for operational.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Clifton R. May</i>		OIL CONSERVATION DIVISION	
Printed name: CLIFTON R. MAY		Approved by: <i>Chris Williams</i>	
Title: REGULATORY AGENT		Title: DISTRICT 1 SUPERVISOR	
Date: July 1, 1998		Approval Date: JUL 06 1998	Expiration Date: JUL 06 1998
Phone: 505-748-4347		Conditions of Approval: Attached <input type="checkbox"/>	

Permit Expires 1 Year from Approval Date Unless Drilling Underway

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443	Pool Code 86400	Pool Name TOWNSEND MORROW
Property Code 23257	Property Name RUNNELS "ASP"	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

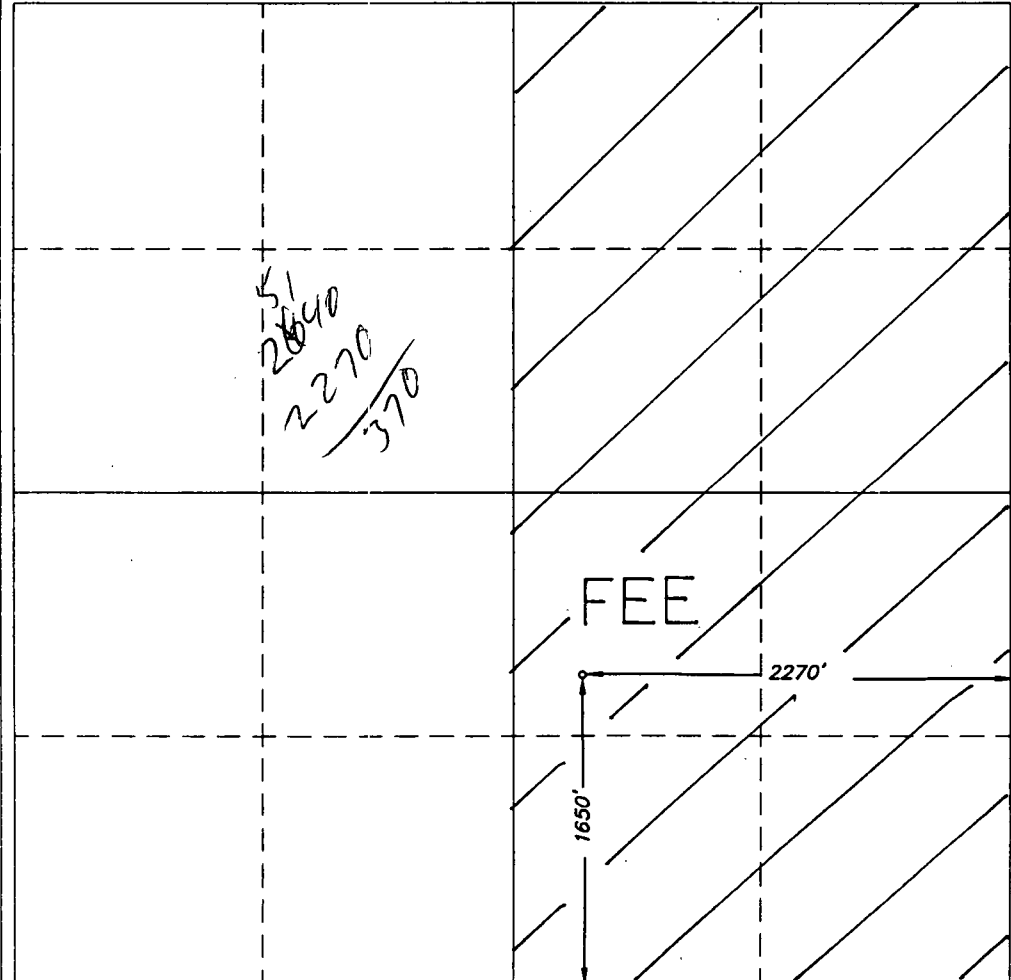
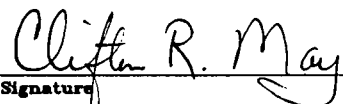
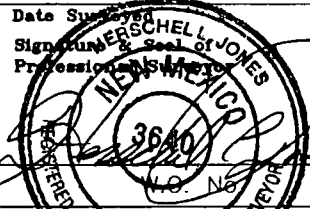
Surface Location

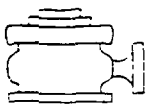
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16 S	35 E		1650	SOUTH	2270	EAST	LEA

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 320	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

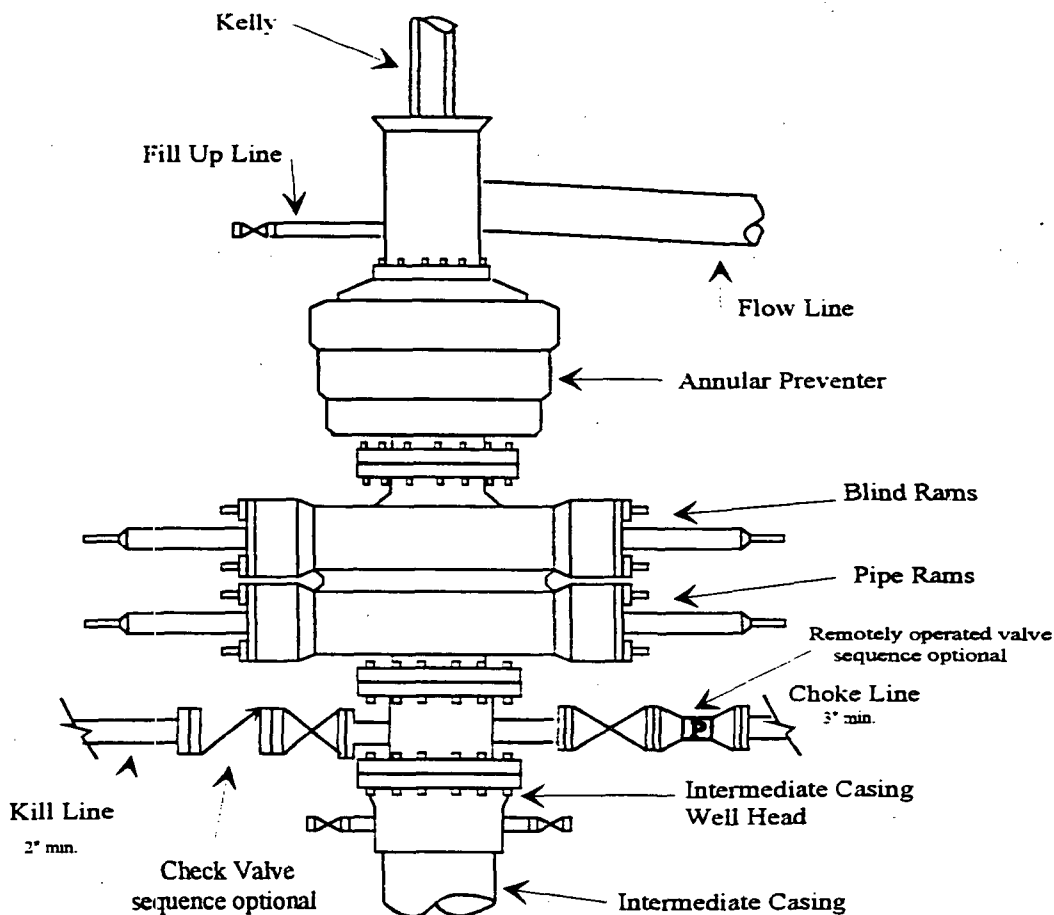
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent Title July 1, 1998 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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 belief. JUNE 29, 1998 Date Surveyed  Signature & Seal of Professional Surveyor Herschell Jones Certificate No. Herschell Jones 3640 Professional Land Surveyor DISK 9 GENERAL SURVEYING COMPANY



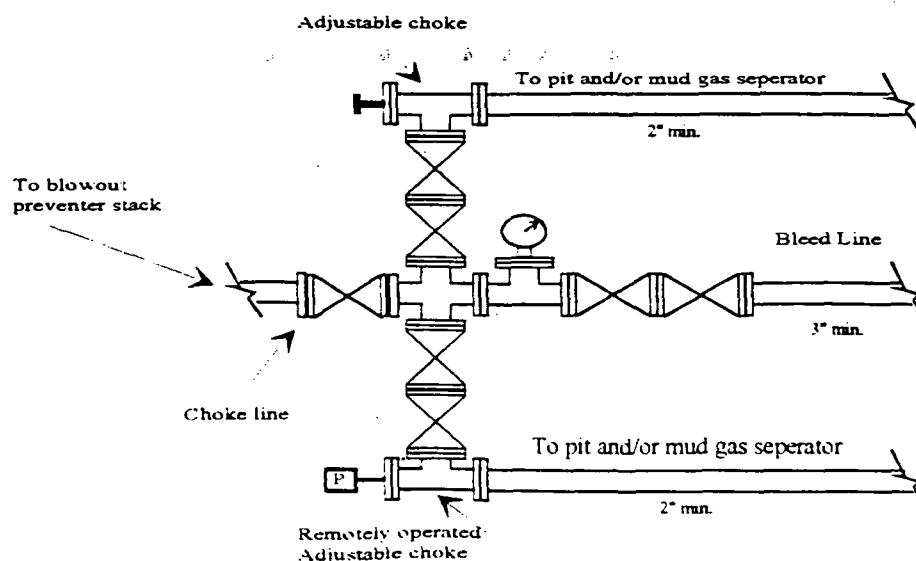
Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Yates Petroleum Corporation	105 S. 4th Street, Artesia, NM 88210
Operator	Address
Runnels ASP	2 J 11 16S 35E Lea
Lease	Well No. Unit Lr. - Sec - Twp - Rge County

All applicants for multiple completion must complete items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Shoe Bar North Strawn		Townsend Atoka
b. Top and Bottom of Pay Section (Perforations)	11385-11470		12008-12025
c. Type of production (Oil or Gas)	Oil		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	NOV 25 1998	Flowing
e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	(ESTIMATED) 440 BOPD 700 MCFGPD 0 BWPD		(ACTUAL) 2874 MCFGPD 93 BOPD

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A-E)

OPERATOR:

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

Signature

Morris Keith

Printed Name & Title Morris Keith, Operations Engineer

Date November 24, 1998 Telephone 505-748-4182

OIL CONSERVATION DIVISION

Approved by: _____

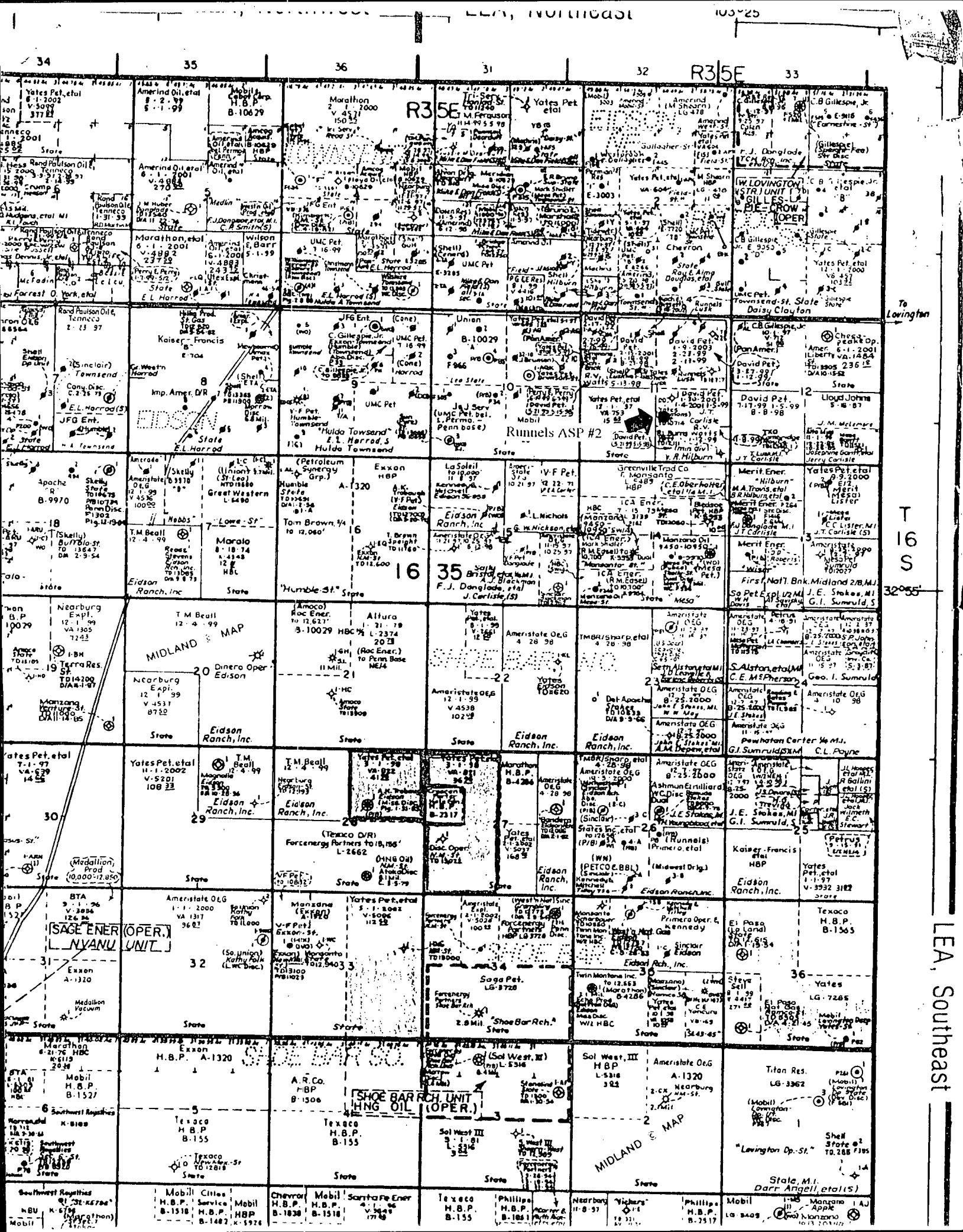
Title: _____

Date: _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval - See rule 112-A-B - Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval - See Rule 112-C - Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

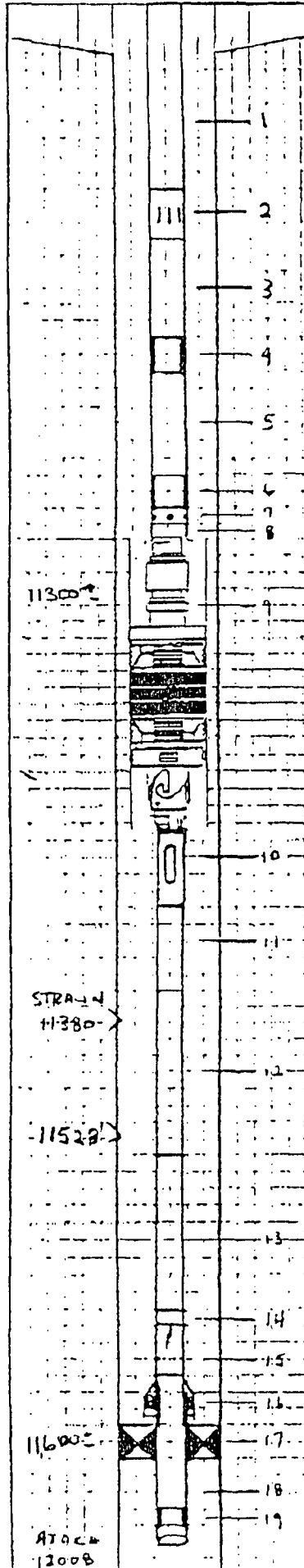


OFFSET OPERATORS

1. Ocean Energy Resources, Inc.
410 17th Str.
Suite 1400
Denver, CO 80202
2. C. B. Gillespie, Jr.
P.O. Box 8
Midland, TX 79702-0008
3. Merit Energy
12222 Merit Drive
Suite 1500
Dallas, TX 75251-3206
4. Monzano Oil Corp.
P.O. Box 2107
Roswell, NM 88202-2107
5. Ocean Energy, Inc.
410 17th Str.
Suite 1400
Denver, CO 80202

MORRIS KEITH
COUNTY LEA STATE NM

Casing					Type Completion Fluid in Casing			
Size	Weight	Grade	Thread					
5 1/2	17		Fu	RCL				
Liner					Tubing	Lower	Middle	Upper
Size	Weight	Grade	Thread	WT ON				
Tubing					Type Latch	Lower	Middle	Upper
Upper	2 7/8	6.5	N-20	EU	OPER. FOR LATCH			
Middle								
Lower								
					OTIS OFFICE			OTIS



ITEM	DEPTH	LENGTH	ODS	ID'S	DESCRIPTION
1	0	11262.75	2.875	2.441	TUBING 2 7/8" EU
2	11262.75	4.00	3.92	2.313	SLIDING SLEEVE 621 XD 23100
3	11266.75	30.00		2.441	TUBING 2 7/8" EU 1 JOINT
4	11296.75	1.00	3.247	2.313	PROFILE NIPPLE "X" 711X9
5	11297.75	30.00	2.875	2.441	TUBING 2 7/8" EU 1 JOINT
6	11327.75	1.00	3.247	2.313	PROFILE NIPPLE "X" 711X9
7	11328.75	.75	3.65	1.50	PORTED SUB 239699
8	11327.50	.50	3.247	2.313	PACKING NIPPLE 115279
9	11330.00	4.00	4.73	2.39	PERMA LACH PACKER 5 1/2" 13-17"
					2 7/8" EU 12 PLS SS231-E
10	11334.50	1.50	3.247	2.313	SIDE DOOR NIPPLE 11X23145
11	11336.00	30.00	2.875	2.44	TUBING 2 7/8" EU
12	11366.00	170.00	3.90	2.38	BLAST JOINTS 2 7/8" EU
					11BN5
13	11536.00	60.00	2.875	2.44	TUBING 2 7/8" EU
14	11596.00	.50	3.70	1.99	CROSSOVER 2 7/8" EU BOX X
					2 7/8" EU PIN 92C230
15	11596.50	2.00	3.094	1.92	TELESCOPING TRAVEL JOINT
					W/KEYS 31 TO 7
16	11598.50	1.50	4.65	1.875	ON/OFF TOOL W 1.875 PROFILE
17	11600%	5.00	4.70	1.99	5 1/2 PACKER
18			2.375	1.99	Tubing 2 7/8"
19		1.00	2.90	1.91	PROFILE NIPPLE 1.81 "F"

WELL NAME: Runnels ASP #2 FIELD AREA: _____
 LOCATION: 1650' FSL + 2270' FEL SEC 11 T16S R3SE LLN CO, NM
 GL: 3977' ZERO: _____' AGL: _____'
 KB: _____' ORIG. DRLG./COMPL. DATE: 9/78
 COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40 STC	429'
8 5/8" 32# N-80	569
8 5/8" 32# J-55	4199
5 1/2" 17# M95 LC	784
5 1/2" 17# L-80 LC	3852
5 1/2" 17# J-55 LC	7708
5 1/2" 17# N-80 LC	10,199
5 1/2" 17# M95 LC	12620

ATOKA PMA
 2874 MCFGPD
 93 BOPD

STRAWN PRODUCTION
 EST - 440 BOPD, 700 MCFGPD

11 3/4" @ 429'
 CMT - 380 SKS, CIRC.

TOC - 1000' CBL

8 5/8" @ 4717' CMT - 1,550 SKS, CIRC.

ALL 2 7/8" 6.5# EUE L-80 tubing
 ID - 2.441"
 OD - 2.785"
 OD COUPLING - 3.668"

ALL CASING 5 1/2" 17#
 ID - 4.892"
 OD - 5.5"

PACKER @

Strawn Lime

11,385 - 11,470

CONCENTRIC
 CROSSOVER
 DRAWING
 ATTACHED.

PACKER @ 11,600'

END OF TAIL PIPE - 11,950'

Atoka Sand

12,008 - 12,025

12,576'

5 1/2" @ 12,620' cmt - 1825 SKS

- SKETCH NOT TO SCALE -

REVISED: 9/90 M Keill

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1930

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Operator	Yates Petroleum Corporation			105 S. 4th Street, Artesia, NM 88210			
Lease	Runnels ASP	Well No.	2	Unit Ltr. - Sec - Twp - Rge	J 11 16S 35E	County	Lea

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Shoe Bar North Strawn		Townsend Atoka
b. Top and Bottom of Pay Section (Perforations)	11385-11470		12008-12025
c. Type of production (Oil or Gas)	Oil		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	(ESTIMATED) 440 BOPD 700 MCFGPD 0 BWPD		(ACTUAL) 2874 MCFGPD 93 BOPD

2. The following must be attached:
- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
 - Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
 - Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

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

Signature

Morris Keith

Printed Name & Title Morris Keith, Operations Engineer

Date November 24, 1998 Telephone 505-748-4182

OIL CONSERVATION DIVISION

Approved by: _____

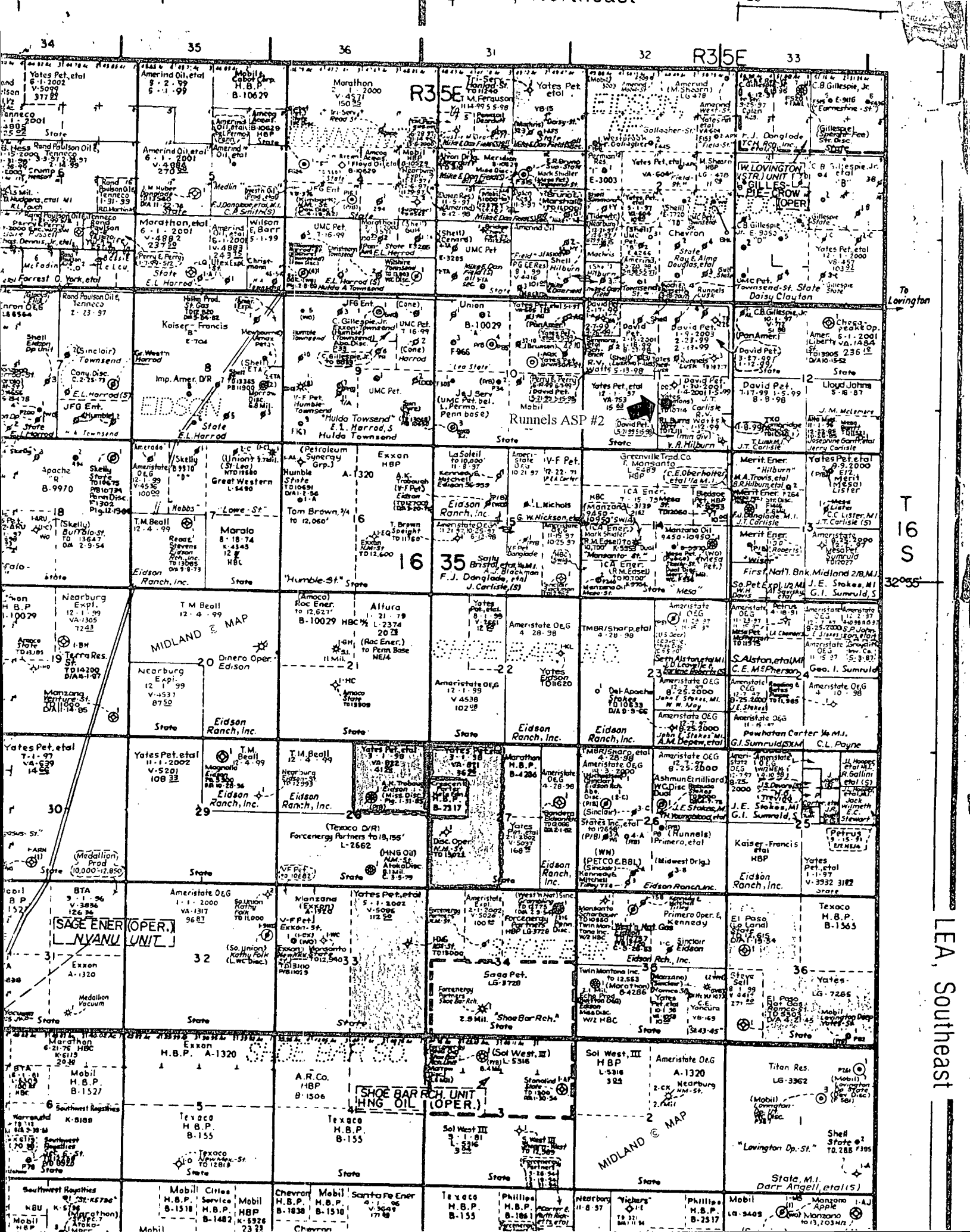
Title: _____

Date: _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or non-standard perforation unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval - See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval - See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.



34 35 36 31 32 R35E 33

To Lovington

T 16 S 32°55'

LEA, Southeast

OFFSET OPERATORS

1. Ocean Energy Resources, Inc.
410 17th Str.
Suite 1400
Denver, CO 80202
2. C. B. Gillespie, Jr.
P.O. Box 8
Midland, TX 79702-0008
3. Merit Energy
12222 Merit Drive
Suite 1500
Dallas, TX 75251-3206
4. Monzano Oil Corp.
P.O. Box 2107
Roswell, NM 88202-2107
5. Ocean Energy, Inc.
410 17th Str.
Suite 1400
Denver, CO 80202

COMPACT REF.

MORRIS KENTH

COUNTY

LEA

STATE NM

CASING

5 1/2

17"

GRADE

Fu

BCL

1.00 COMPLETION FLUID IN Casing

LINER

SIZE

WEIGHT

GRADE

THREAD

TUBING

WT ON

LOWER

MIDDLE

UPPER

TUBING

UPPER

SIZE

WEIGHT

GRADE

THREAD

TYPE

LATCH

LOWER

MIDDLE

UPPER

MIDDLE

SIZE

WEIGHT

GRADE

THREAD

OPERATOR & NAME

-10

LOWER

SIZE

WEIGHT

GRADE

THREAD

OTIS OFFICE

DATE

ITEM	DEPTH	LENGTH	ODS	ID'S	DESCRIPTION
1	0	11262.75	2.875	2.441	TUBING 2 7/8" EU
2	11262.75	4.00	3.92	2.313	SLIDING SLEEVE 621 XD 23100
3	11266.75	30.00		2.441	TUBING 2 7/8" EU 1 JOINT
4	11296.75	1.00	3.247	2.313	PROFILE NIPPLE "X" 711 X 9
5	11297.75	30.00	2.875	2.441	TUBING 2 7/8" EU 1 JOINT
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7	11328.75	.75	3.65	2.50	PORTED SUB 239699
8	11327.50	.50	3.247	2.313	PACKING NIPPLE 11S 279
9	11330.00	4.00	4.73	2.39	Perma Latch Pack-E 5 1/2" 13-17" 2 7/8" EU 12 PLS SS 231-E
10	11334.50	1.50	3.247	2.313	SIDE DOOR NIPPLE 11 X 23145
11	11336.00	30.00	2.875	2.44	TUBING 2 7/8" EU
12	11366.00	170.00	3.70	2.38	BLAST JOINTS 2 7/8" EU 11 BNS
13	11536.00	60.00	2.875	2.44	TUBING 2 7/8" EU
14	11596.00	.50	3.70	1.79	CROSSOVER 2 7/8" EU BOX X 2 7/8" EU PIN 92C 230
15	11596.50	2.00	3.094	1.92	TELESCOPING TRAVEL JOINT W/ KEYS 31 TO 7
16	11598.50	1.50	4.63	1.875	ON/OFF TOOL W 1.875 PROFILE
17	11600 1/2	5.00	4.70	1.99	5 1/2 PACKER
18			2.375	1.99	Tubing 2 7/8"
19		1.00	2.90	1.31	PROFILE NIPPLE 1.81 "F"

STRAIGHT
11380

11528 1/2

11600

ATCH
12008

WELL NAME: Runnels ASP #12

FIELD AREA:

LOCATION: 1650' FSL + 2270' FEL SEC 11 T16S R35E LLN CO, NM

GL: 3997' ZERO: ' AGL: '

KB: ' ORIG. DRLG./COMPL. DATE: 9/98

COMMENTS:

CASING PROGRAM:

SIZE/WT./GR./CONN.					DEPTH SET
11 3/4"	42#	H-40	STC		429'
8 5/8"	32#	N-80			569
8 5/8"	32#	J-55			4199
5 1/2"	17#	M95	LTC		784
5 1/2"	17#	L-80	LTC		3852
5 1/2"	17#	J-55	LTC		7798
5 1/2"	17#	N-80	LTC		10,199
5 1/2"	17#	M95	LTC		12620

ATOKA PROD
2874 MCFGPD
93 BOPD

STRAWN PRODUCTION
EST - 440 BOPD, 700 MCFGPD

11 3/4" @ 429'
CMT - 380 SKS, CIRC.

TOC - 1000' CBL

8 5/8" @ 4717' CMT - 1,550 SKS, CIRC.

ALL 2 7/8" 6.5# EUE L-80 tubing
ID - 2.441"
OD - 2.785"
OD COUPLING - 3.668"

ALL CASING 5 1/2" 17#
ID - 4.892"
OD - 5.5"

PACKER @

Strawn Lime

11,385 - 11,470

PACKER @ 11,600'

END OF TAIL PIPE - 11,950'

Atoka Sand

12,008 - 12,025

12,576'

5 1/2" @ 12,620' cmt - 1825 sks

CONCENTRIC
CROSSOVER
DRAWING
ATTACHED.

- SKETCH NOT TO SCALE -

REVISED: 9/98 M Keith

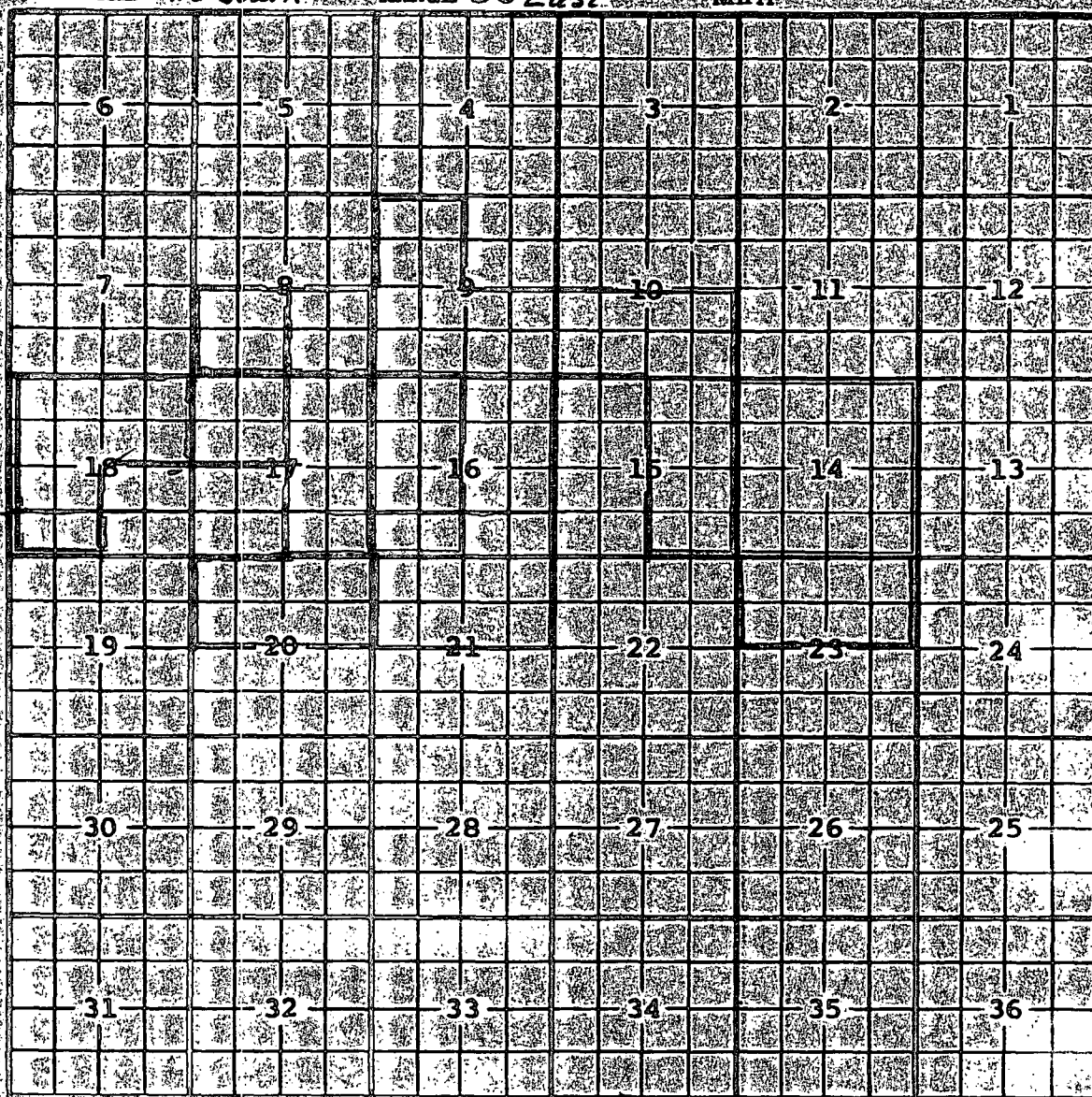
COUNTY *Lea*

POOL Townsend-Morrow Gas

TOWNSHIP 16 South

RANGE 35 East

NMPM



Description: SE 1/4 Sec 8 (R-4014, 9-1-70)

Ext: $\frac{1}{4}$ Sec 8 (R-4041, 11-1-70) - $\frac{W}{2}$ & $\frac{SE}{4}$ Sec 9; $\frac{S}{2}$ Sec 10; $\frac{E}{2}$ Sec 15 (R-4304, 6-1-72)
- $\frac{E}{2}$ Sec 17 (R-4351, 8-1-72) - $\frac{W}{2}$ Sec 16 (R-4423, 11-1-72)

Ext: All Sec 14 (R-4809, 6-18-74) Ext: E/2 Sec 16, N/2 Sec 21 (R-6005, 6-1-79)

Ext: 1/2 sec 20 (A-657, 4-20-81) EXT: 1/2 sec 23 (R-6876, 1-22-82)

Ext: NW 1/4 Sec. 17, N/2 and SW 1/4 Sec. 18 (R-10972, 4-13-98)

Stogner, Michael

From: Stogner, Michael
Sent: Tuesday, December 01, 1998 4:42 PM
To: Williams, Chris
Cc: Wrotenbery, Lori
Subject: Yates' Runnels ASP #2

Chris:

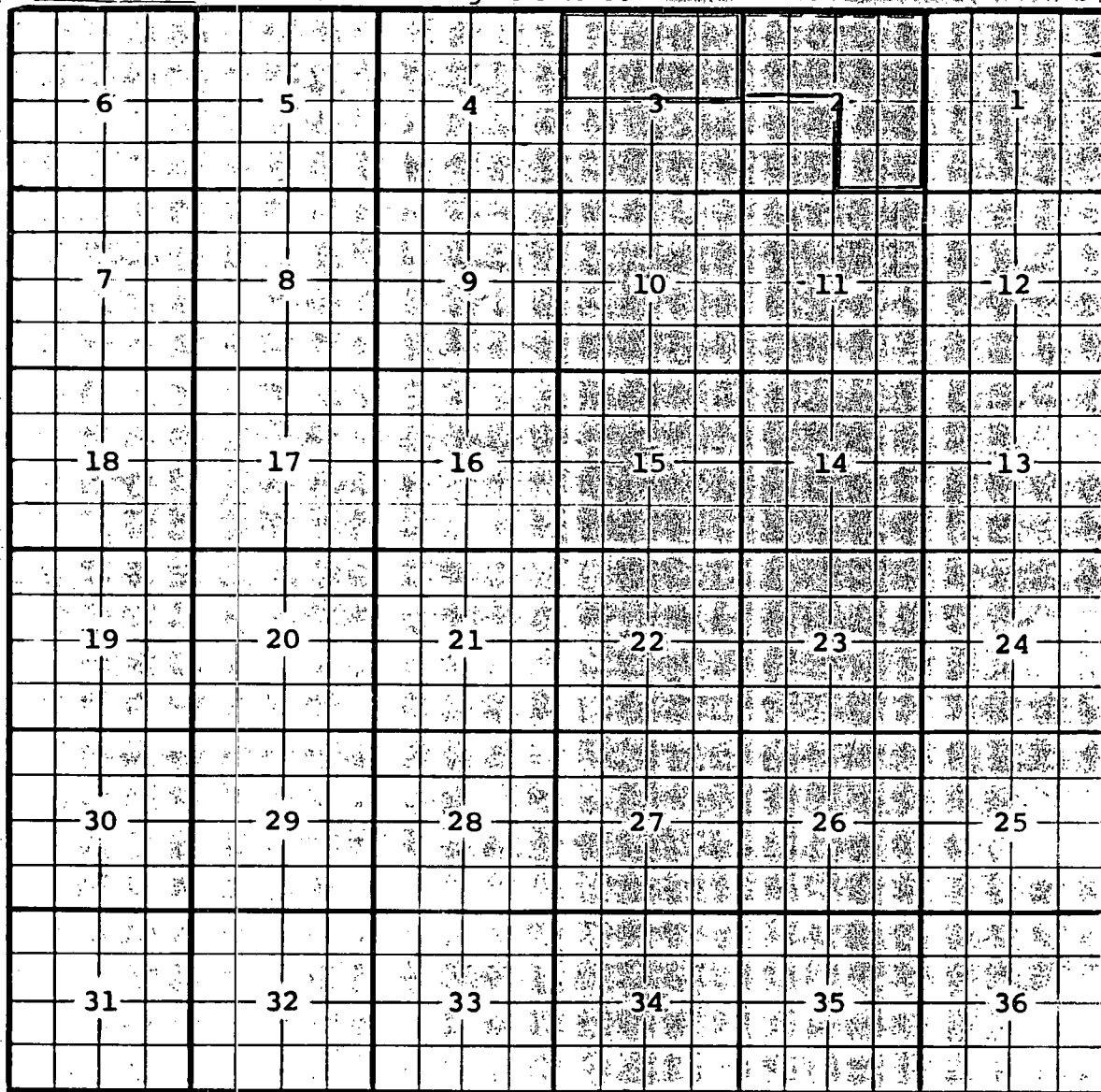
I'm faxing you a copy of the well file, the application, and my letter of Monday, November 30, 1998 to Yates concerning their Multiple Completion request. This application from Yates was dated (Tuesday) Nov. 24, 1998. It was received here in Santa Fe on (Wednesday) Nov. 25, 1998. It did not hit my desk until Monday, Nov. 30, 1998 and at that time I (naturally dropped everything and) reviewed it. It lacked essential data that I could not reconstruct since I did not have the raw data to do the necessary engineering calculations needed to support their filing. I therefore wrote a letter requesting this additional information. I also found the location to be unorthodox and I included a request for a copy of any such approval (I found no record here in Santa Fe that they ever requested this prior to the drilling of this well). I mailed you a copy of the well file, my letter, and their application on Monday. You may get it either tomorrow or Thursday. This will of course be too late since they called you today checking its status. Call me if you need anything further. Sorry about this but I could not approve this application without this information. I know at least that you understand.

County Lea Pool South Shoe Bar-Morrow Gas

TOWNSHIP 17 South

Range 35 East

NMPM

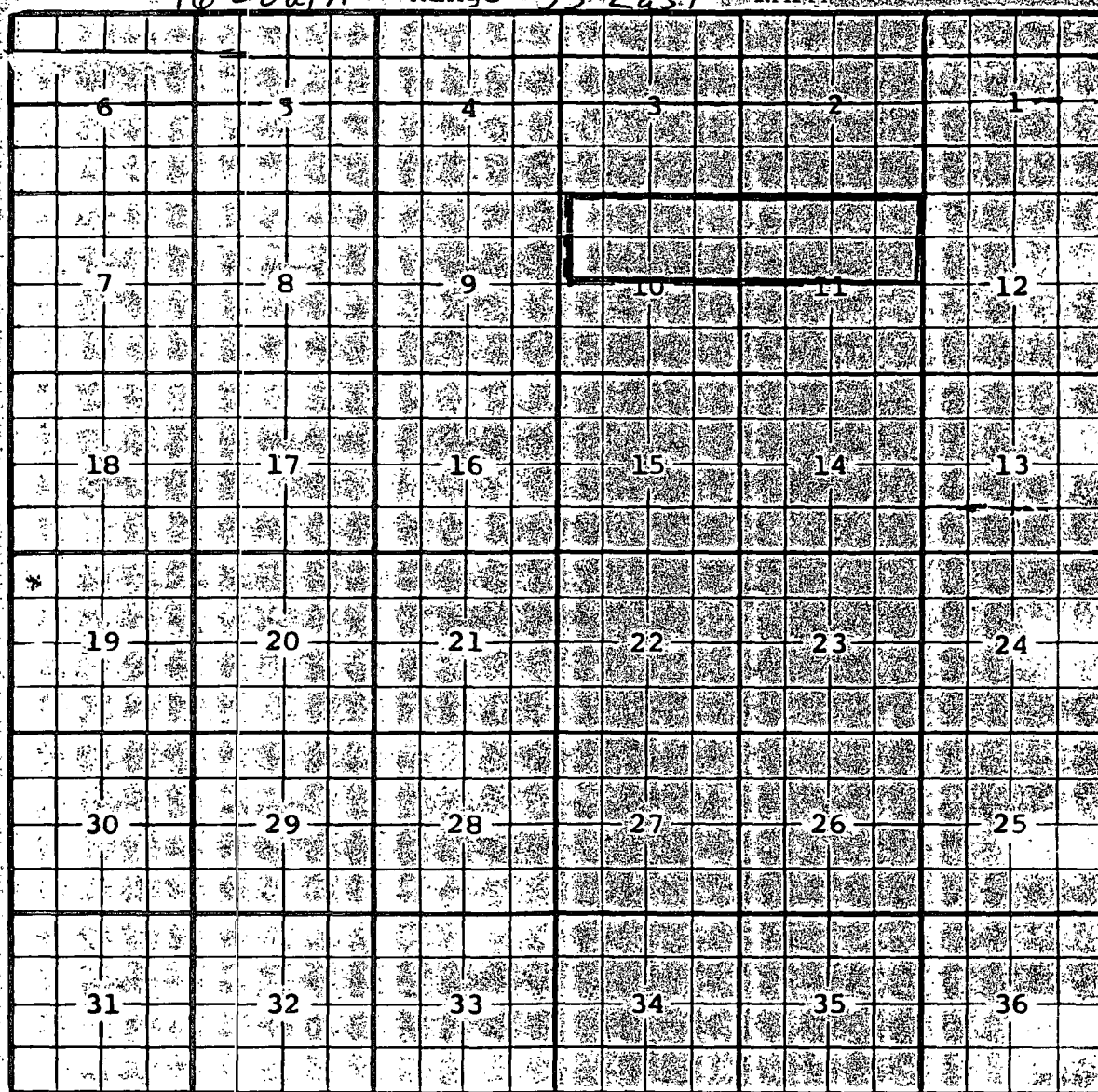


Description: N/2 Sec 3 (9-1-78) R-5781

Ext: E/2 and NW/4 Sec. 2 (R-7302, 6-14-83)

county Lea Pool North Shoe Bar-Atoka Gas

TOWNSHIP 16 South Range 35 East NMPM



Description: $\frac{1}{2}$ Sec. 10, $\frac{1}{2}$ Sec. 11 (CR-10972, 4-13-98)

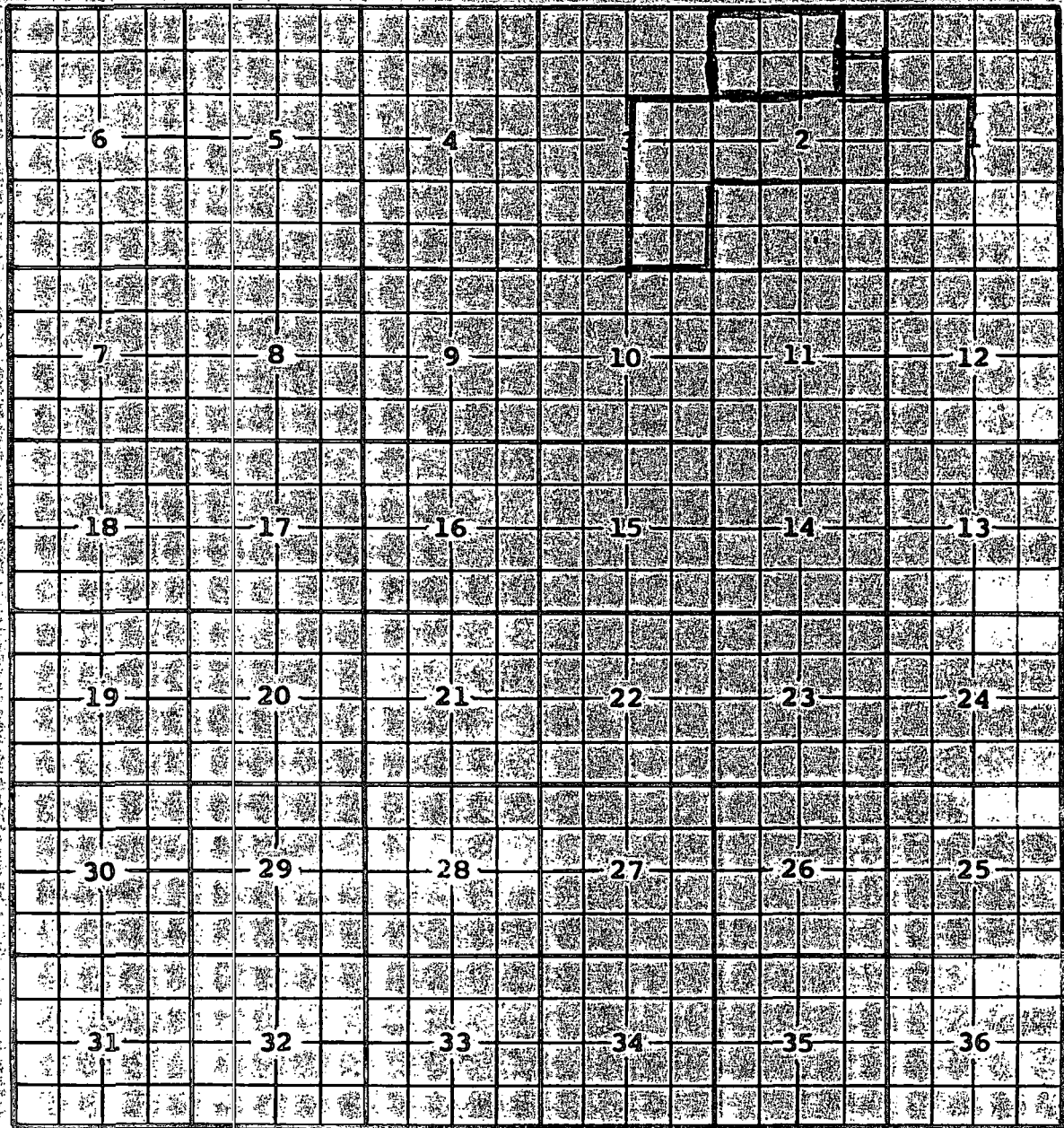
TOWNSHIP 16 South RANGE 35 East NMPM

A 36x36 grid with numbers 1-36 in the top row and 1-36 in the bottom row. A diagonal line runs from the cell at row 7, column 18 to row 18, column 7.

Description: NW/4 Sec 13 (R-4658, 11-16-73)

Ext.: ^{NE}/₄ Sec 13 (R-4734 3-1-74) Ext.: ^{SW}/₄ Sec 13 (R-4861 11-1-74)

COUNTY Lea POOL South Big Dry - Strawn
TOWNSHIP 16 South RANGE 35 East NMPM



Description: Lots 2 through 7, Sec. 2 (R-9722-C/R-10448-A, 2-26-47)
Ext: Lots 11, 12, 13 and 14 Sec. 1, Lots 9 through 16 Sec. 2, Lots 9, 10, 15, 16 and 35 Sec. 3
(R-10910, 10-31-97) Ext: Lot 8 Sec. 2 (R-10972, 4-13-98)

Strawn
CR-6876, 1-22-82

NMPM

A 36x36 grid with numbers 1-36 at the intersections. A 4x4 square is highlighted in the center, spanning rows 16-19 and columns 23-26. The numbers 15, 16, 17, and 18 are at the corners of this square.

Description: ^{SE}1/4 Sec. 15; (R-1283; 12-1-58)

Ext: $\frac{1}{2}$ Sec. 15 (R-8356, 12-3-86)

~~Ex. 10848, 10849~~

District I
PO Box 1900, Hobbs, NM 88241-1900

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-104

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575	
THIS WELL HAS BEEN PLACED IN THE POOL AS SHOWN BELOW. IF YOU DO NOT CONCUR WITH THIS OFFICE		Reason for Filing Code NW	
API Number 30-025-34443	Pool Name Shoe Bar Atoka, North	Pool Code 96763	
Property Code 23257	Property Name Runnels ASP	Well Number 2	

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
J	11	16S	35E		1650	South	2270	East	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lee Code P	¹³ Producing Method Code F	¹⁴ Gas Connection Date 10-12-98		¹⁵ C-129 Permit Number		¹⁶ C-129 Effective Date		¹⁷ C-129 Expiration Date	

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822083	O	Unit J - Section 11-T16S-R35E
147831	Agave Energy Co. 105 South Fourth Street Artesia, NM 88210	2822153	G	Unit J - Section 11-T16S-R35E

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
2822154	Unit J - Section 11-T16S-R35E

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations
RH 7-28-98 RT 7-30-98	10-6-98	12620'	12409'	12008-12025'
³⁰ Hole Size	³¹ Casing & Tubing Size	³² Depth Set	³³ Sacks Cement	
22"	16"	40'	Cement to surface	
14-3/4"	11-3/4"	429'	380 sx - circulate	
11"	8-5/8"	4760'	1550 sx - circulate	
7-7/8"	5-1/2"	12620'	1825 sx	

VI. Well Test Data

³⁴ Date New Oil	³⁵ Gas Delivery Date	³⁶ Test Date	³⁷ Test Length	³⁸ Tbg. Pressure	³⁹ Csg. Pressure
10-12-98	10-12-98	10-21-98	24 hours	1350#	Packer
⁴⁰ Choke Size	⁴¹ Oil	⁴² Water	⁴³ Gas	⁴⁴ AOF	⁴⁵ Test Method
17/64"	86	0	2189		Flow Test

* I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Rusty Klein*

Printed name: Rusty Klein

Title: Operations Technician

Date: November 9, 1998 Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by: *Chris Wilson*

Title: DISTRICT SUPERVISOR

Approval Date: NOV 17 1998

* If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-105
Revised 1-1-89

WELL API NO.	30-025-34443
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG	
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name Runnels ASP
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DEEP RESVR <input type="checkbox"/> OTHER _____	8. Well No. 2
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471	9. Pool name or Wildcat Shoe Bar Atoka, North
3. Address of Operator 105 South 4th St., Artesia, NM 88210	

4. Well Location
Unit Letter J: 1650 Feet From The South Line and 2270 Feet From The East Line

10. Date Spudded RH 7-28-98 RT 7-30-98	11. Date T.D. Reached 9-16-98	12. Date Compl. (Ready to Prod.) 10-6-98	13. Elevations (DF & RKB, RT, GR, etc.) 3997' GR	14. Elev. Casinghead
15. Total Depth 12620'	16. Plug Back T.D. 12409'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 40-12620'	Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 12008-12025' Atoka	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'	22"	Cement to surface	
11-3/4"	42#	429'	14-3/4"	380 sx - circulate	
8-5/8"	32#	4760'	11"	1550 sx - circulate	
5-1/2"	17#	12620'	7-7/8"	1825 sx	

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	11632'	11641'

26. Perforation record (interval, size, and number) 12008-12025' w/72 .41" holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 12008-12025' binary foam, 3000g methanol 40# CMHPG, 70 tons CO2, 450000 scf N2 & 47000# 20-40	AMOUNT AND KIND MATERIAL USED Frac'd w/39500 gals 700
---	---	--

28. PRODUCTION interprop							
Date First Production 10-12-98		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 10-21-98	Hours Tested 24	Choke Size 17/64"	Prod'n For Test Period	Oil - Bbl. 86	Gas - MCF 2189	Water - Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 1350#	Casing Pressure Packer	Calculated 24-Hour Rate	Oil - Bbl. 86	Gas - MCF 2189	Water - Bbl. 0	Oil Gravity - API - (Corr.) N/A	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Rocky Harper
--	-----------------------------------

30. List Attachments Drill Stem Tests, 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 <u>Rusty Klein</u>	Printed Name <u>Rusty Klein</u>	Title <u>Operations Tech.</u> Date <u>11-9-98</u>

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

T. Anhy _____
T. Salt _____
B. Salt _____
T. Yates 3111'
T. 7 Rivers _____
T. Queen _____
T. Grayburg _____
T. San Andres 4717'
T. Glorieta 6276'
T. Paddock _____
T. Blinebry _____
T. Tubb _____
T. Drinkard _____
T. Abo 8125'
T. Wolfcamp 9610'
T. Penn _____
T. Cisco (Bough C) _____

T. Canyon _____
T. Strawn 11323'
T. Atoka 11653'
T. Miss Lime 12532'
T. Devonian _____
T. Silurian _____
T. Montoya _____
T. Simpson _____
T. McKee _____
T. Ellenburger _____
T. Gr. Wash _____
T. Delaware Sand _____
T. Bone Springs _____
T. Morrow Lime 12080'
T. Austin Cycle 12248'
T. Chester 12402'
T. _____

Northwestern New Mexico

T. Ojo Alamo _____
T. Kirtland-Fruitland _____
T. Pictured Cliffs _____
T. Cliff House _____
T. Menefee _____
T. Point Lookout _____
T. Mancos _____
T. Gallup _____
Base Greenhorn _____
T. Dakota _____
T. Morrison _____
T. Todilto _____
T. Entrada _____
T. Wingate _____
T. Chinle _____
T. Permian _____
T. Penn "A" _____

T. Penn. "B" _____
T. Penn. "C" _____
T. Penn. "D" _____
T. Leadville _____
T. Madison _____
T. Elbert _____
T. McCracken _____
T. Ignacio Otzte _____
T. Granite _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____
No. 2, from _____ to _____
No. 3, 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	429	429	Surface				
429	605	176	Redbed & anhydrite				
605	1570	965	Redbed				
1570	2245	675	Redbed, salt & anhydrite				
2245	3285	1040	Anhydrite & salt				
3285	4320	1035	Anhydrite & dolomite				
4320	4841	521	Anhydrite, dolo & shale				
4841	5410	569	Anhydrite & dolomite				
5410	8130	2720	Anhy, dolo, shale & sand				
8130	9070	940	Dolomite, anhy & shale				
9070	9600	530	Dolo, lime, shale & anhy				
9600	10125	525	Lime, shale, dolo & sand				
10125	11355	1230	Lime, shale & sand				
11355	11426	71	Lime & shale				
11426	11704	278	Lime				
11704	12494	790	Lime, shale & sand				
12494	12620	126	Lime & shale				

YATES PETROLEUM CORPORATION
Runnels ASP #2
Section 11-T16S-R35E
Lea County, New Mexico

RESULTS OF DRILL STEM TESTS:

DST #1 11354-11405': Misrun

DST #2 11354-11405' (Strawn): TIMES: TO 7"; SI 60"; TO 60"; SI 180". RECOVERY:
2137' of oil and 81' of mud. SAMPLER: 12.1 cfg, 1050 cc oil and 100 cc mud.
PRESSURES: IHP 5475; IFP 3242-3299; ISIP 4232; FFP 4018-4116; FSIP 4229; FHP
5442

Arcadia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443	Pool Code 96763	Pool Name North Shoe Bar Atoka
Property Code 23257	Property Name RUNNELS "ASP"	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

Surface Location

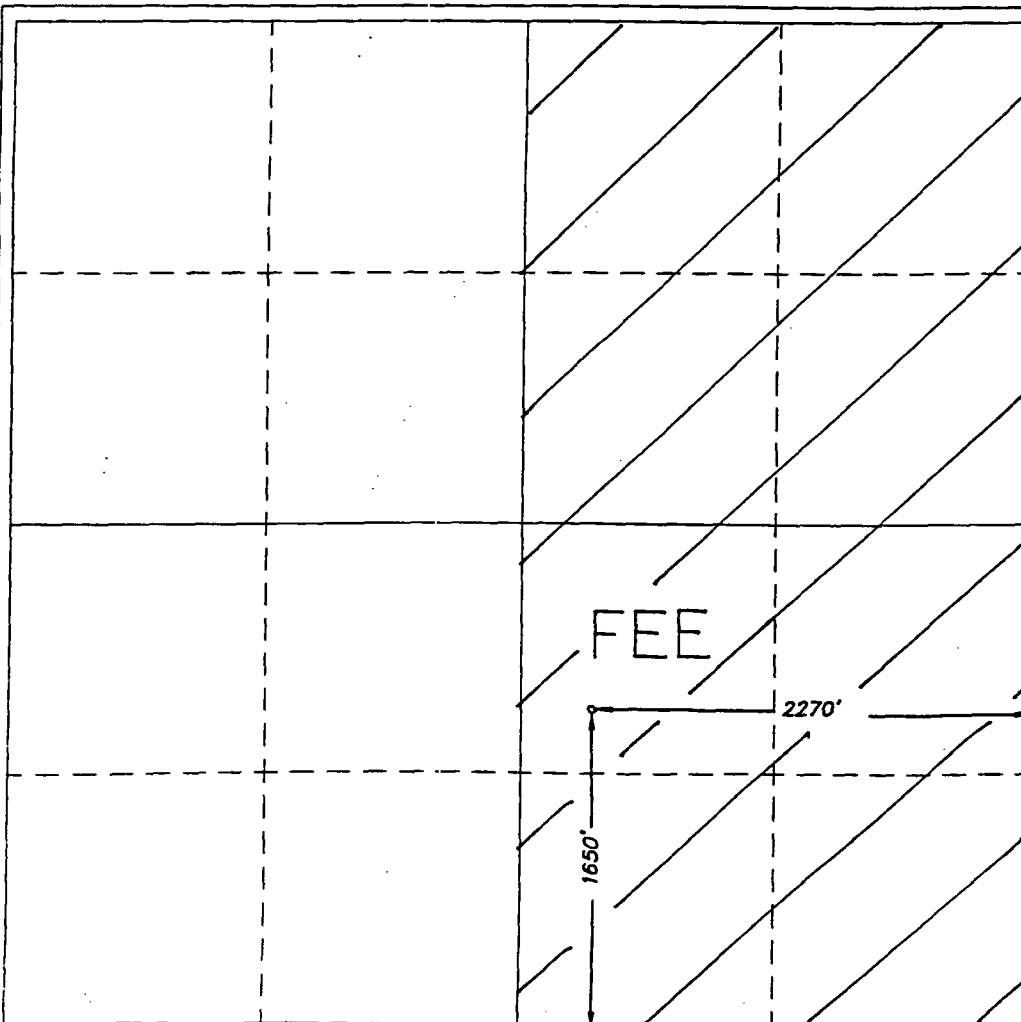
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16 S	35 E		1650	SOUTH	2270	EAST	LEA

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 320	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



OPERATOR CERTIFICATION

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

Clifton R. May
Signature

Clifton R. May
Printed Name
Regulatory Agent

July 1, 1998
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 belief.

JUNE 29, 1998

Date Surveyed
Signature & Seal of
Professional Surveyor
NEESCHELL JONES
3640
CERTIFICATE No. HERSCHER JONES 3640
GENERAL SURVEYING COMPANY

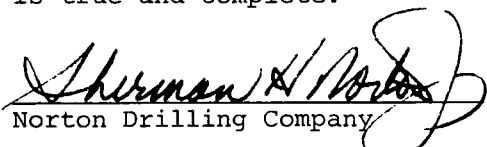
Deviation surveys taken on Yates Petroleum Corporation's Runnels ASP #2
well in Lea County, New Mexico: Unit J 11-16-35

1650/S + 2270/E

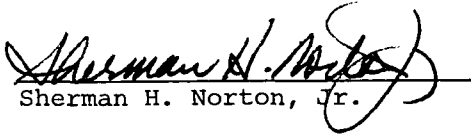
30-025-34443

<u>Depth</u>	<u>Degree</u>
190	.75
429	.75
659	1.00
1002	.75
1282	.75
1527	1.00
1746	.75
1901	.75
2088	.50
2274	.50
2523	.75
2773	.50
3026	1.00
3088	.75
3335	.75
3580	.75
3922	.25
4295	.75
4760	1.00
5226	.75
5723	1.25
6220	1.25
6717	1.00
7190	1.25
7475	1.25
7971	1.00
8474	1.00
8977	.75
9488	1.00
9973	1.00
10,477	1.50
10,728	1.25
10,977	1.50
11,195	1.50
11,405	1.25
11,659	1.25
11,907	1.75
12,005	1.50
12,250	3.00
12,345	2.75
12,620	2.25

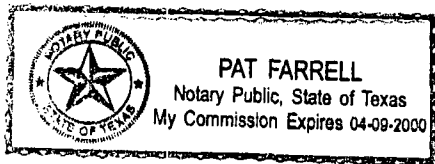
I hereby certify that I have personal knowledge of the facts placed on this
sheet and that such information given above is true and complete.

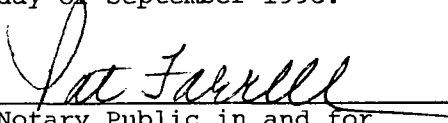

Norton Drilling Company

Before me, the undersigned authority, on this day personally appeared Sherman H. Norton, Jr., known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the drilling contractor of the well identified in this instrument and that such well was not intentionally deviated from the vertical whatsoever.


Sherman H. Norton, Jr.

SWORN AND SUBSCRIBED TO before me this 24th day of September 1998.




Notary Public in and for
Lubbock County, Texas.

District I
PO Box 1966, Hobbs, NM 88241-1966
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-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
75 BOPD & 2200 MCFPD		Reason for Filing Code Test perms 12008-12025' (Atoka) down line for October, 1998
API Number 30-025-34443	Undesignated Atoka	Pool Code 96-763
Property Code 23257	Property Name Runnels ASP	Well Number 2

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	11	16S	35E		1650	South	2270	East	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code P	Producing Method Code F	Gas Connection Date 10-12-98	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822083	0	Unit J - Section 11-T16S-R35E
147831	Agave Energy Co. 105 South Fourth St. Artesia, NM 88210	2822153	G	Unit J - Section 11-T16S-R35E

IV. Produced Water

POD	POD ULSTR Location and Description
2822154	Unit J - Section 11-T16S-R35E

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Rusty Klein

Title:

Operations Technician

Date: Oct. 9, 1998

Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Geologist

Approval Date:

OCT 20 1998

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

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.	30-025-34443
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	

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	7. Lease Name or Unit Agreement Name Runnels ASP
2. Name of Operator YATES PETROLEUM CORPORATION	8. Well No. 2
3. Address of Operator 105 South 4th St., Artesia, NM 88210	9. Pool name or Wildcat Townsend Morrow
4. Well Location Unit Letter <u>J</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>2270</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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: <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 22" hole with rat hole machine at 10:00 AM 7-28-98. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified Sylvia w/OCD-Hobbs of spud. Resumed drilling a 14-3/4" hole with rotary tools at 1:00 AM 7-30-98.

TD 429'. Reached TD at 7:00 AM 7-30-98. Ran 10 joints of 11-3/4" 42# H-40 8rd ST&C (433.54') of casing set at 429'. 1-Texas Pattern notched guide shoe set at 429'. Insert float set at 385'. Cemented with 180 sacks Halliburton Premium Plus, 1/4#/sack flocele and 2% CaCl2 (yield 1.32, weight 14.8). Tailed in with 200 sacks Halliburton Premium Plus and 2% CaCl2 (yield 1.32, weight 14.8). PD 12:00 PM 7-30-98. Bumped plug to 600 psi, OK. Circulated 85 sacks. WOC. Cut off and welded on flow nipple. Drilled out at 7:30 AM 7-31-98. WOC 19 hours and 30 minutes. Reduced hole to 11". Resumed drilling. NOTE: Notified Linda w/OCD-Hobbs of cementing - did not witness.

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 Aug. 6, 1998
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 20 1998
CONDITIONS OF APPROVAL, IF ANY:

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. 30-025-34443	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Runnels ASP	
8. Well No. 2	
9. Pool name or Wildcat Townsend Morrow	

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>J</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>2270</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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: Intermediate 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.
TD 4760'. Reached TD at 6:15 PM 8-9-98. Ran 109 joints of 8-5/8" 42# casing as follows: 13 joints of 8-5/8" 42# H-40 8rd ST&C (569.36') and 96 joints of 8-5/8" 42# H-40 8rd ST&C (4199.82') (Total 4769.18') of casing set at 4760'. Float shoe set at 4760'. Float collar set at 4717'. Cemented with 1300 sacks Halliburton Interfill C, 1/4#/sack flocele (yield 2.42, weight 11.9). Tailed in with 250 sacks Halliburton Premium Plus with 2% CaCl2 (yield 1.32, weight 14.8). PD 8:30 AM 8-10-98. Bumped plug to 2060 psi, OK. WOC. Nipped up and tested to 5000 psi for 30 minutes, OK. Drilled out at 12:00 PM 8-11-98. WOC 27 hours and 30 minutes. Reduced hole to 7-7/8". Resumed drilling.

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 Aug. 24, 1998

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 20 1998

CONDITIONS OF APPROVAL, IF ANY:

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. 30-025-34443
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Runnels ASP
8. Well No. 2
9. Pool name or Wildcat Townsend Morrow
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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 J : 1650 Feet From The South Line and 2270 Feet From The East Line Section 11 Township 16S Range 35E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Perforate & frac <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.

9-26-28-98 - Cleaned location, set and tested anchors. Moved in pulling unit.

9-29-98 - Rigged up pulling unit. Nippled up BOP. TIH with bit, scraper and tubing and tagged PBTD at 12409'.

9-30-98 - Pickled tubing with 500 gallons 15% HCL acid. Tested BOP to 3500 psi. TOOH with tubing, scraper and bit. Rigged up wireline. TIH with logging tools and ran CBL/GR/CCL log. Rigged down wireline. TIH with 30 stands to displace hole 300'. NOTE: Need air cushion before shooting stim guns. TOOH with tubing.

10-9-98 - Rigged up wireline and lubricator. TIH with 3-3/8" stim guns and perforated 12008-12025' w/72 .41" holes (4 SPF - Atoka). TOOH with stim guns. Rigged down wireline and lubricator. TIH with 1.81" F nipple, 10 joints tailpipe, packer and tubing. Bottom of tailpipe at 11937'. Packer at 11609'. Nippled down BOP and nipped up 5K tree. Tested packer and tree to 3000 psi, OK. Swabbed well down. Shut well in.

10-2-98 - Rigged up treesaver. Attempted to frac - had leak in crossover. Shut down. Rigged down treesaver. Pumped 75 bbls 2% KCL water with non-ionic surfactant. Nippled

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 Oct. 8, 1998

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 20 1998

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
Runnels ASP #2
Section 11-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

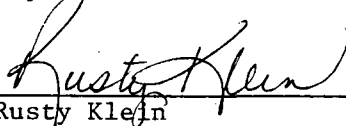
down tree and nipped up BOP. Released packer. Reversed 120 bbls. TOOH with tubing and packer. TIH with knock out plug and tailpipe, packer and tubing. Set packer at 11609'. Tested to 1000 psi, OK. Dropped bar. Knocked out plug. Well started gassing. Tested packer to 1000 psi, OK. Swabbed.

10-3-98 - Rigged up treesaver. Attempted to frac - shut down. Rigged down treesaver. Bled well down. Pumped 70 bbls 2% KCL down tubing. Nipped down tree. Nipped up BOP. Released packer. TOOH with tubing and packer. Rigged up Bo Monk pipe testers. TIH with 1.81" F nipple, 10 joints tailpipe, Arrow-set packer and tubing. Tested tubing to 10000 psi, OK. Nipped down BOP and nipped up tree. Set packer at 11641'. Tested packer and tree to 2500 psi, OK. Swabbed well down.

10-4-98 - Rigged up treesaver. Frac'd perforations 12008-12025' (Atoka) with 39500 gallons 70Q binary foam, 3000 gallons methanol 40# CMHPG, 70 tons CO2, 450000 scf N2 and 47000# 20-40 Interprop. Rigged down treesaver. Shut well in for 2 hours. Opened well up and flowing back frac. Shut well in.

10-5-98 - Flowed back. Shut well in.

10-6-98 - Released well to production department.



Rusty Klein
Operations Technician
October 8, 1998

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Bravos 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-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
Reason for Filing Code Sell approx. 75 BO recovered on DST - 11354-11405' (Strawn)		
API Number 30 - 0 25-34443	Pool Name N Shoe Beer Undesignated Strawn	Pool Code 56272
Property Code 23257	Property Name Runnels ASP (DRILLING WELL)	Well Number 2

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West line	County
J	11	16S	35E		1650	South	2270	East	Lea

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code P	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco P/L Int. Trucking 502 N. West Avenue Levelland, TX 79336	2822683	0	Unit J - Section 11-T16S-R35E

IV. Produced Water

POD	POD ULSTR Location and Description

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Cag. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Rusty Klein*
Printed name: Rusty Klein

Title: Operations Technician
Date: Sept. 11, 1998 Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by: *Gary W. Wink*
Title: GARY W. WINK
Approval Date: FIELD REPRESENTATIVE II
OCT 06 1998

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

District I
PO Box 1930, 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-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34443	² Pool Code 5627D	³ Pool Name N Shoe Bar Undesignated Strawn
⁴ Property Code 23257	⁵ Property Name Runnels ASP	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3979'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16S	35E		1650	South	2270	East	Lea

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<div><p>16</p></div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Rusty Klein</i> Signature Rusty Klein Printed Name Operations Technician Title September 11, 1998 Date</p>	
	<p>¹⁸ 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>REFER TO ORIGINAL PLAT</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 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 S. 4th Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-025-34443
⁴ Property Code 23257	⁵ Property Name Runnels "ASP"	⁶ Well No. 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16S	35E		1650'	South	2270'	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

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

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3997'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,500'	¹⁸ Formation Morrow	¹⁹ Contractor Undesignated	²⁰ Spud Date ASAP

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#	450'	300 sx	Circulate
11"	8 5/8"	32#	4750'	1300 sx	Circulate
7 7/8"	5 1/2"	15.5# & 17#	12,500'	650 sx	9000'

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 Morrow and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and cavings. Approximately 4750' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-450' FW Gel/Paper/LCM; 450'-4750' Brine; 4750'-9400' Cut Brine/Starch 9400'-11,200' Salt Gel/Starch; 11,200'-TD Salt Gel/Starch/2% KCL.

BOPE PROGRAM: BOPE will be installed on the 8 5/8" casing and tested daily for operational.

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

Signature:

Printed name:

CLIFTON R. MAY

Title:

REGULATORY AGENT

Date:

July 1, 1998

Phone:

505-748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

DISTRICT 1 SUPERVISOR

Approval Date:

JUL 06 1998

Expiration Date:

JUL 06 1998

Conditions of Approval:

Attached ☐

Permit Expires 1 Year from Date of Issuance
Date Unless Drilling Underway

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34443	Pool Code 86400	Pool Name TOWNSEND MORROW
Property Code 23257	Property Name RUNNELS "ASP"	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3979

Surface Location

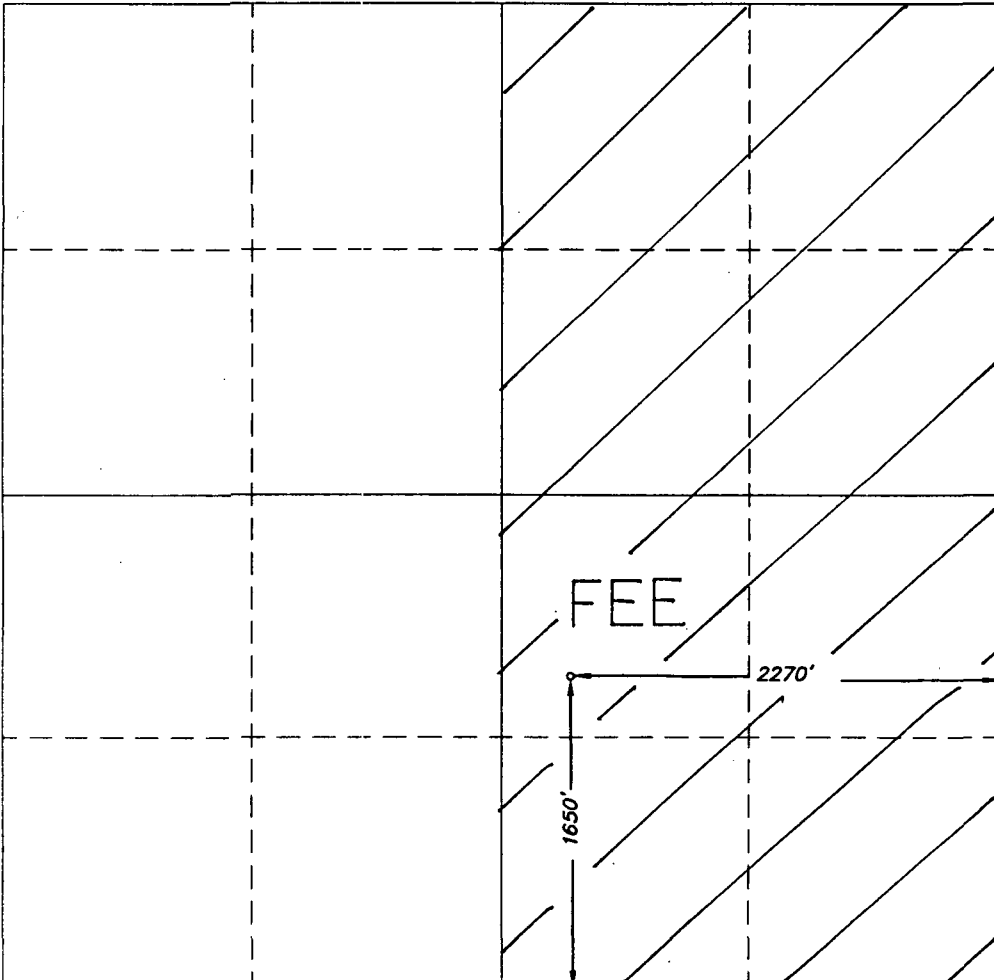
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	16 S	35 E		1650	SOUTH	2270	EAST	LEA

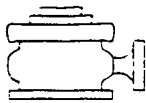
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

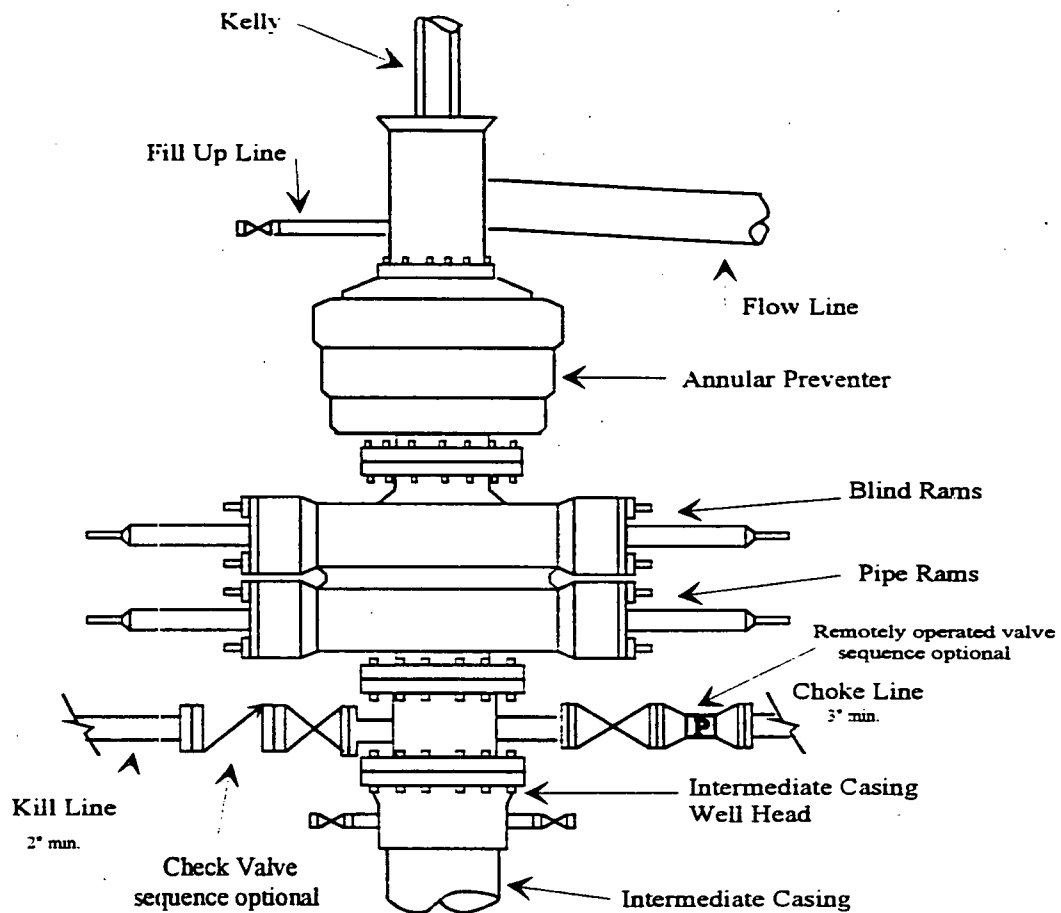
	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Clifton R. May Signature Clifton R. May Printed Name Regulatory Agent Title July 1, 1998 Date
	SURVEYOR CERTIFICATION <i>I hereby certify that the well location 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.</i> JUNE 29, 1998 Date Surveyed Signature & Seal of Surveyor Professional Surveyor NEWMEXICO 3640 JONES Certified by Ne Herschel Jones 3640 Professional Land Surveyor DISK 9 GENERAL SURVEYING COMPANY



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

