

NSL 5/20/99

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



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

105 SOUTH FOURTH STREET APR 30 1999  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

April 28, 1999

FAX: 748-4572

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

**Certified Mail**  
**Return Receipt Requested**

RE: Application for Unorthodox Well Location  
Concho "ACT" State Com #1 Well  
Township 17 South, Range 27 East  
Section 8: N/2  
Eddy County, New Mexico

Dear Mr. Stogner:

We believe this API No. 30-015-30472 has been with drawn by Concho Resources.  
Please process Yates' application for an unorthodox gas well location

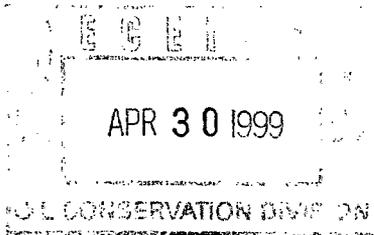
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock  
Landman

RB:bn  
enclosure(s)



**CONCHO RESOURCES INC.**

Suite 410

110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

April 28, 1999

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

**Sundry Notice/APD Cancellation**  
**Chama "8" Federal Com #1 Well**  
**T17S, R27E, NMPM**  
**1650' FEL & 660' FNL of Section 8,**  
**Eddy County, New Mexico**  
**Chama Prospect (771117)**

Gentlemen:

Reference is made to your previous correspondence with Yates Petroleum Corporation of Artesia, New Mexico, regarding their application for the Concho "ACT" State Com #1 Well. Your office has rejected Yates' application due to Concho's previously proposed Chama "8" Federal Com #1 Well.

Concho has prepared and sent the BLM Office a Sundry Notice requesting APD cancellation for the Chama "8" Federal Com #1 Well – API #30-015-30472 (a copy is enclosed). As noted on the enclosed copy, the Sundry Notice has been approved as of April 13, 1999 by the BLM. Please consider this approved Sundry Notice as Concho's written request to withdraw application to drill said well. Thank you for your assistance in this matter.

Sincerely,

CONCHO RESOURCES INC.



Van Rodgers

cc: Mr. Robert Bullock  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**OPERATOR'S COPY**

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM98809
2. Name of Operator Concho Resources Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 110 W. Louisiana, Ste 410; Midland Tx 79701	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FEL & 660' FNL, UL - B; Sec 8, T-17S, R-27E	8. Well Name and No. Chama '8' Federal Com #1
	9. API Well No. 30015 30472
	10. Field and Pool, or Exploratory Area Crow Flat Morrow
	11. County or Parish, State Eddy Co., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Cancel APD</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Concho Resources Inc. respectfully request the cancellation of the Permit to Drill for the Chama '8' Federal Com #1 well approved on 10/26/98.

**APPROVED**

APR 13 1999

*Linda R. Ashberry*

**AUTHORIZED OFFICER, MINERALS  
BUREAU OF LAND MANAGEMENT**

14. I hereby certify that the foregoing is true and correct

Signed *[Signature]* Title Production Analyst Date 04/01/99

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

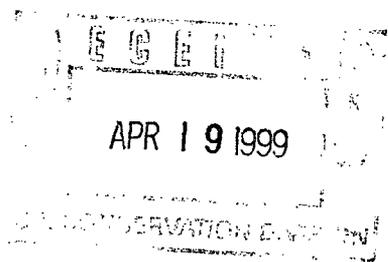
NSL 5/10/99

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



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TREASURER



April 15, 1999

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

Re: Application for Unorthodox Well Location  
Concho ACT State Com #1 Well  
Township 17 South, Range 27 East  
Section 8: N/2  
Eddy County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Morrow gas well location, the Concho ACT State Com #1. The well is located on State of New Mexico minerals, 1650' FNL and 660' FEL of Section 8, Township 17 South, Range 27 East, Eddy County, New Mexico. The acreage dedicated to the well is the N/2 of Section 8 which is 50% State of New Mexico minerals and 50% USA minerals.

The necessity for this unorthodox location is based on geologic conditions prevailing in the primary objective Lower Morrow clastics interval.

The sand isopach map is enclosed herewith. The map exhibit is an isopach map of the Lower Morrow clastics. Double circled well spots are Morrow penetrations. The contour interval is 20 feet. The spacing unit is outlined in red and the proposed location is pointed out.

The isopach map depicts the varying thickness of the Lower Morrow to Mississippian unconformity interval in the environs of the subject proration unit. Contouring of the available well control shows that the proposed location is on the west flank of the main "thick" in the area. Experience in this area has shown that wells in or near "thicks" have a much better chance of encountering Lower Morrow alluvial channel sand reservoirs capable of producing very good economic volumes of gas.

The proposed location should encounter sufficient Lower Morrow interval to accommodate an alluvial sand channel capable of producing economic reserves of gas.

Notification to the offset operator(s) to the east was made by certified mail on April 15, 1999 including a copy of this application letter with all attachments.

New Mexico Oil Conservation Division  
April 15, 1999

Page 2

Yates requests that this unorthodox well location be administratively approved if no objections are received within the cited twenty (20) days as required by New Mexico Oil Conservation Division regulations or earlier if waivers are received.

Enclosed with the isolith map are forms C-101, C-102 and a land plat showing offset operator(s).

Please call me at 505-748-4351 if you need further information.

Thank you.

Very truly yours,

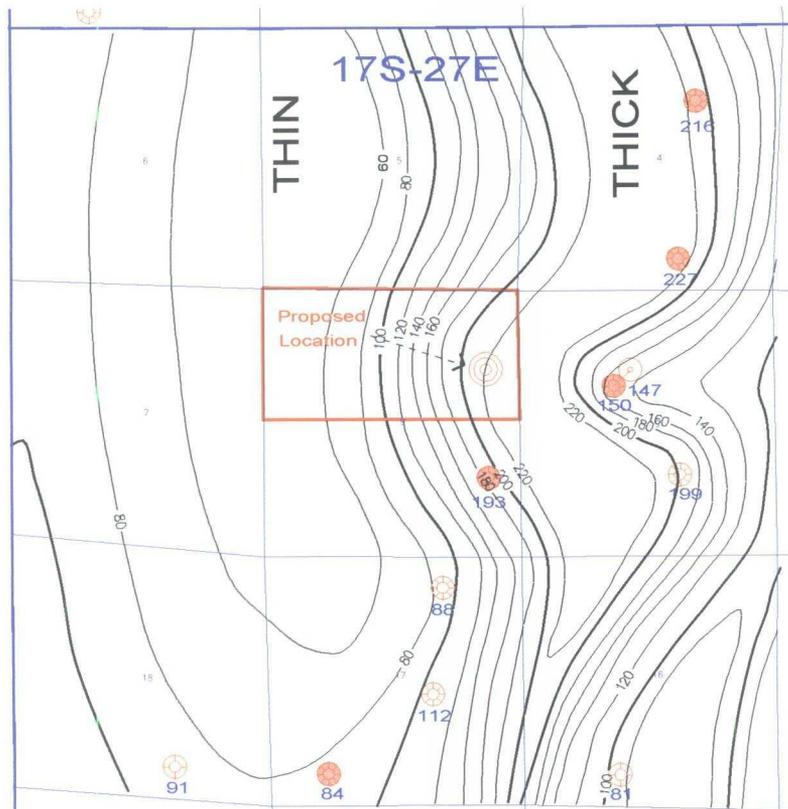
YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Robert Bullock". The signature is written in a cursive style with a large initial "R".

Robert Bullock  
Landman

RB/mw

Enclosures



**LEGEND**

- ⊙ Morrow Penetrations
- 193c - Lower Morrow to Miss. Thickness
- Lower Morrow Producer
- Solid Contours of Lower Morrow to Miss. Thickness; C.I. = 20'

YATES PETROLEUM CORPORATION

New Mexico  
Empire - Logan Draw - Dog Canyon Area  
Isopach Lower Morrow Clastics

Geol. Ray Beck	C.I. - 20'	4/15/99
	Scale 1:48000	T. Fuentes



District I  
 PO Box 1983, 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

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30 - 0
<sup>4</sup> Property Code	<sup>4</sup> Property Name Concho "ACT" State Com.	<sup>4</sup> Well No. 1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	8	17S	27E		1650'	North	660'	East	Eddy

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Morrow					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3362'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 9150'	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Undesignated	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

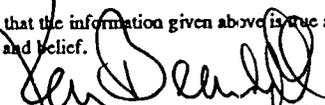
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24# J-55	1400'	500 sx	Circulated
7 7/8"	4 1/2"	11.6# S-95	9150'	400 sx	TOC 7500'

<sup>22</sup> 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 1400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cement circulated, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1400' FW; 1400'-4700' FW Gel; 4700'-8100' Cut Brine; 8100'-TD Salt Gel/Starch.

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

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: KEN BEARDEMPHL			
Title: LANDMAN		Title:	
Date: April 6, 1999	Phone: 505-748-4348	Approval Date:	Expiration Date:
		Conditions of Approval: Attached <input type="checkbox"/>	

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-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		2 Pool Code		3 Pool Name Morrow	
4 Property Code		5 Property Name CONCHO "ACT" STATE COM			6 Well Number 1
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3362.

10 Surface Location

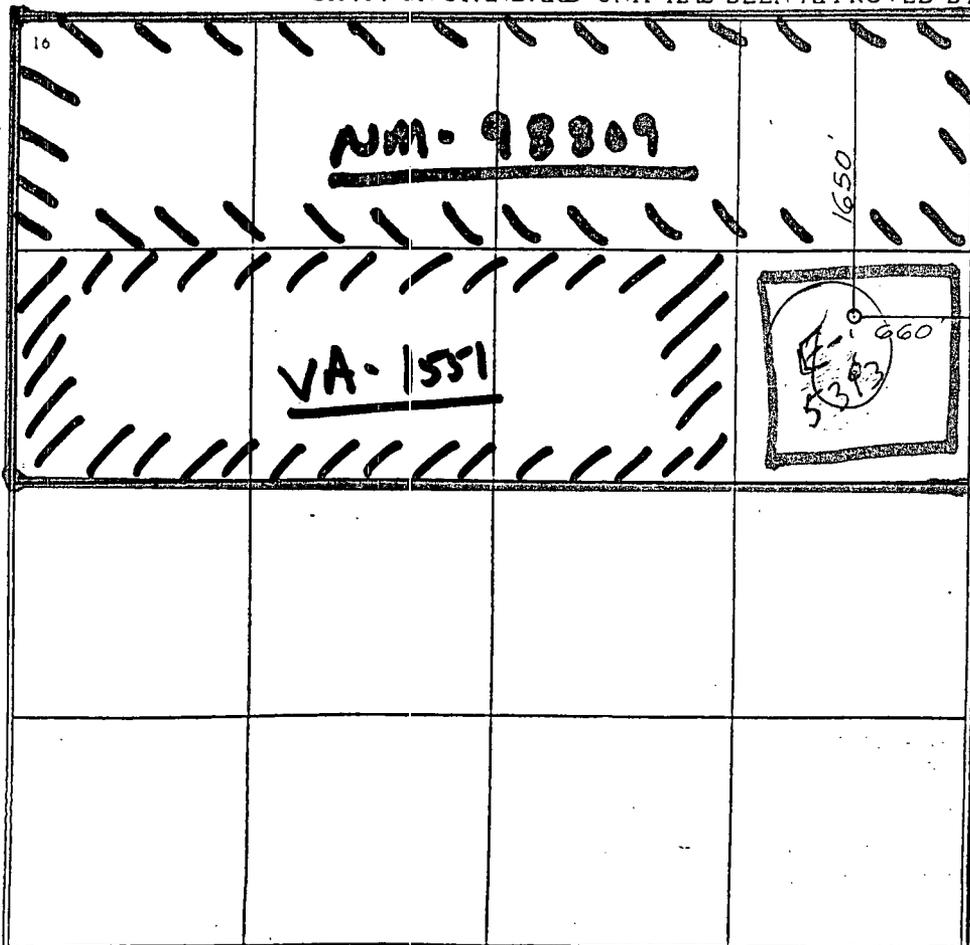
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	17-S	27-E		1650	NORTH	660	EAST	EDDY

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



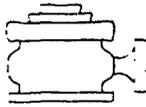
17 OPERATOR CERTIFICATION  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *Ken Beardemphl*  
 Printed Name: Ken Beardemphl  
 Title: Landman  
 Date: April 6, 1999

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.

APRIL 3, 1999  
 Date of Survey

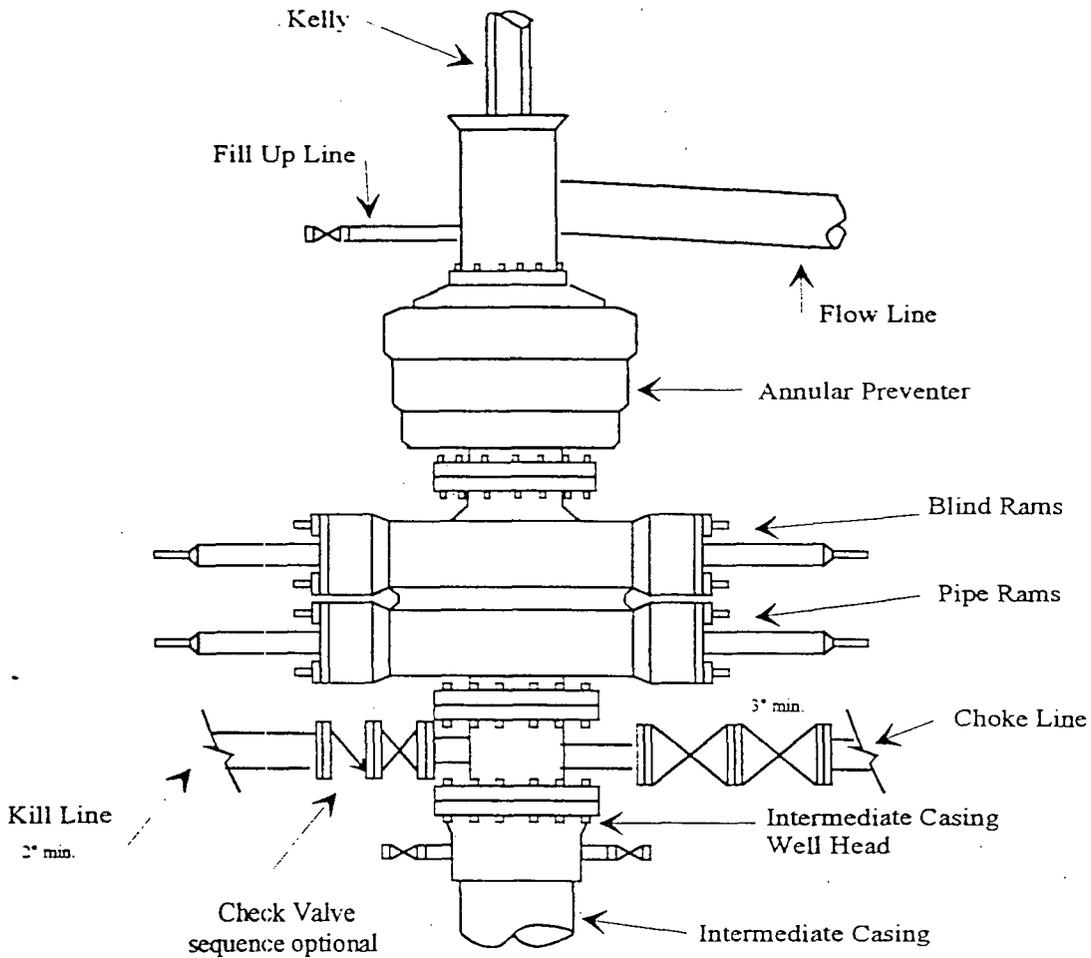
Signature and Seal of Professional Surveyor:  
  
 Certificate Number: NM REAPS-NO. 007412



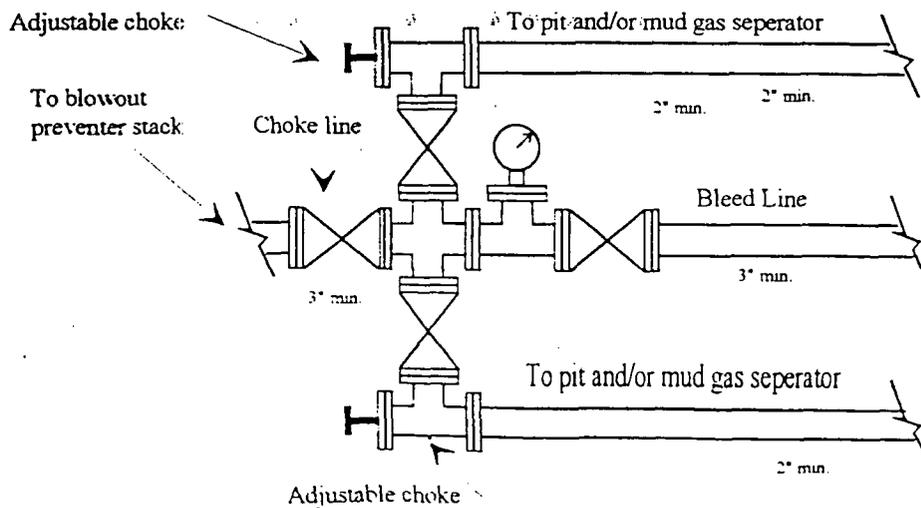
# Yates Petroleum Corporation

BOP-3

## Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



### Typical 3,000 psi choke manifold assembly with at least these minimum features



Notification List of Offset Operator(s)  
to Unorthodox Morrow Gas well location  
Concho "ACT" St. Com. #1  
Township 17 South, Range 27 East  
Section 8: 1650' FNL & 660' FEL  
Eddy County, New Mexico

Oxy USA, Inc.  
Box 50250  
Midland, Texas 79710



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

April 20, 1999

**Yates Petroleum Corporation**  
**105 South Fourth Street**  
**Artesia, New Mexico 88210**

**Attention: Robert Bullock**

*Re: Application dated April 15, 1999 for the Yates Petroleum Corporation to drill its proposed Concho "ACT" State Com. Well No. 1 at an unorthodox gas well location to test the Undesignated Crow Flats-Morrow Gas Pool 1650' FSL & 660' FEL (H) of Section 8, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Bullock:

I am returning the subject application. An active APD for the Morrow interval underlying the N/2 of Section 8 exists for Concho Resources, Inc.'s proposed Chama "8" Federal Com. Well No. 1 (API No. 30-015-30472) to be drilled at a standard gas well location in Unit "B" of Section 8 (see copy of the Division's records attached).

Should you have additional information concerning this matter please resubmit your application with full details.

Thank you.

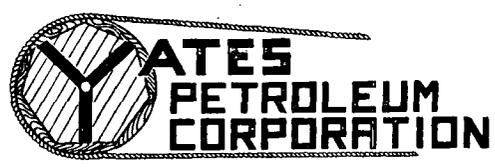
Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia  
U. S. Bureau of Land Management – Carlsbad  
William F. Carr, Legal Counsel for Yates Petroleum Corporation – Santa Fe  
Kathy Valdes, NMOCD – Santa Fe

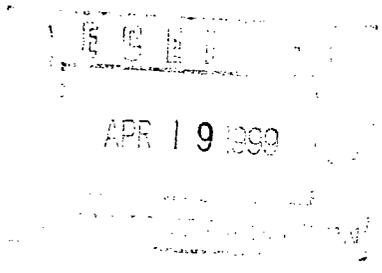
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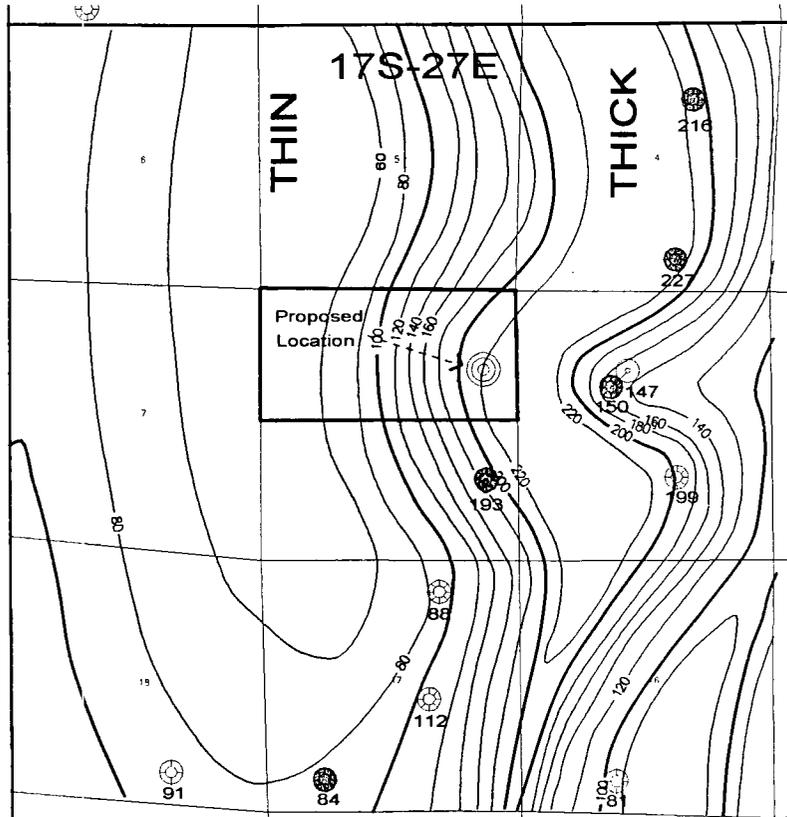
YATES PETROLEUM CORPORATION



Robert Bullock  
Landman

RB/mw

Enclosures



**LEGEND**

- Morrow Penetrations
- 193 Lower Morrow to Miss. Thickness
- Lower Morrow Producer
- Solid Contours of Lower Morrow to Miss. Thickness; C.I. = 20'

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New Mexico		
Empire - Logan Draw - Dog Canyon Area		
Isopach Lower Morrow Clastics		
Geol. Ray Beck	C.I. - 20'	4/15/99
	Scale 1:48000	T. Fuentes

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10622

Duffield-St. SA Disc.  
C. 1-11-80

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O.L. Flat Tr. M.I.  
V.L. Gates, et al  
S.G. Larr  
Gates  
Jean  
36.48 4 (Woolley, et al)  
Morrow Disc. (Ecos)  
NYO 8530 (V.L. 3313)  
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E.A. Hanson, et al  
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Exxon 7-5-84  
Ed Phillips  
7-3-84  
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Flat Tr. M.I. 6-20-85  
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Winston, et al  
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U.S. State

OCEAN DRIVE

83

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

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

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

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

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	17S	27E		1650'	North	660'	East	Eddy

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Morrow					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3362'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 9150'	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Undesignated	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24# J-55	1400'	500 sx	Circulated
7 7/8"	4 1/2"	11.6# S-95	9150'	400 sx	TOC 7500'

<sup>22</sup> 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.

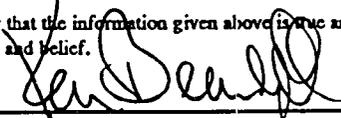
Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cement circulated, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1400' FW; 1400'-4700' FW Gel; 4700'-8100' Cut Brine; 8100'-TD Salt Gel/Starch.

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

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

Signature:



Printed name:

KEN BEARDEMPHL

Title:

LANDMAN

Date:

April 6, 1999

Phone:

505-748-4348

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

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-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		2 Pool Code		3 Pool Name Morrow	
4 Property Code		5 Property Name CONCHO "ACT" STATE COM			6 Well Number 1
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3362.

10 Surface Location

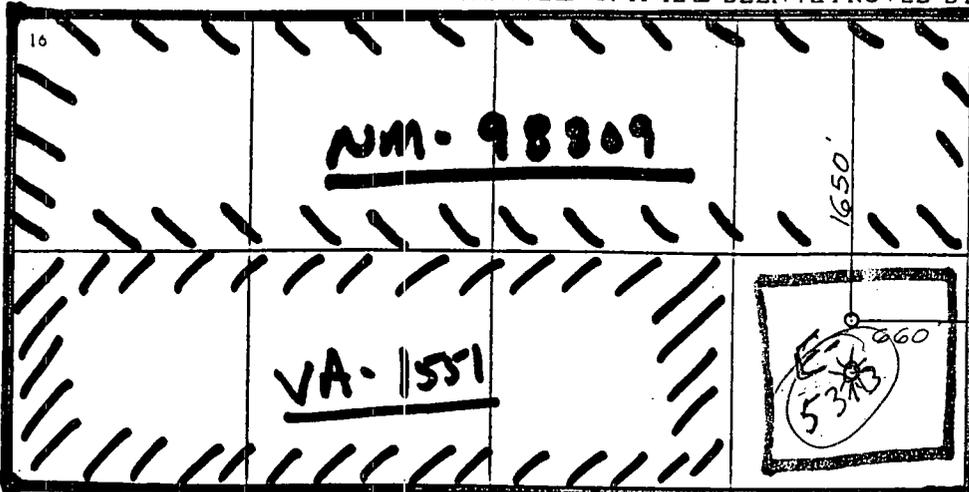
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	17-S	27-E		1650	NORTH	660	EAST	EDDY

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.
---------------------------	--------------------	-----------------------	--------------

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



17 OPERATOR CERTIFICATION

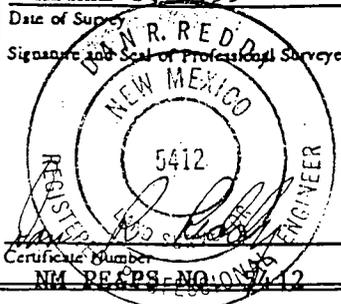
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Ken Beardemphl*  
 Printed Name: Ken Beardemphl  
 Title: Landman  
 Date: April 6, 1999

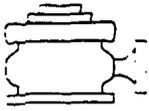
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was placed 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.

APRIL 3, 1999  
 Date of Survey  
 Signature and Seal of Professional Surveyor:



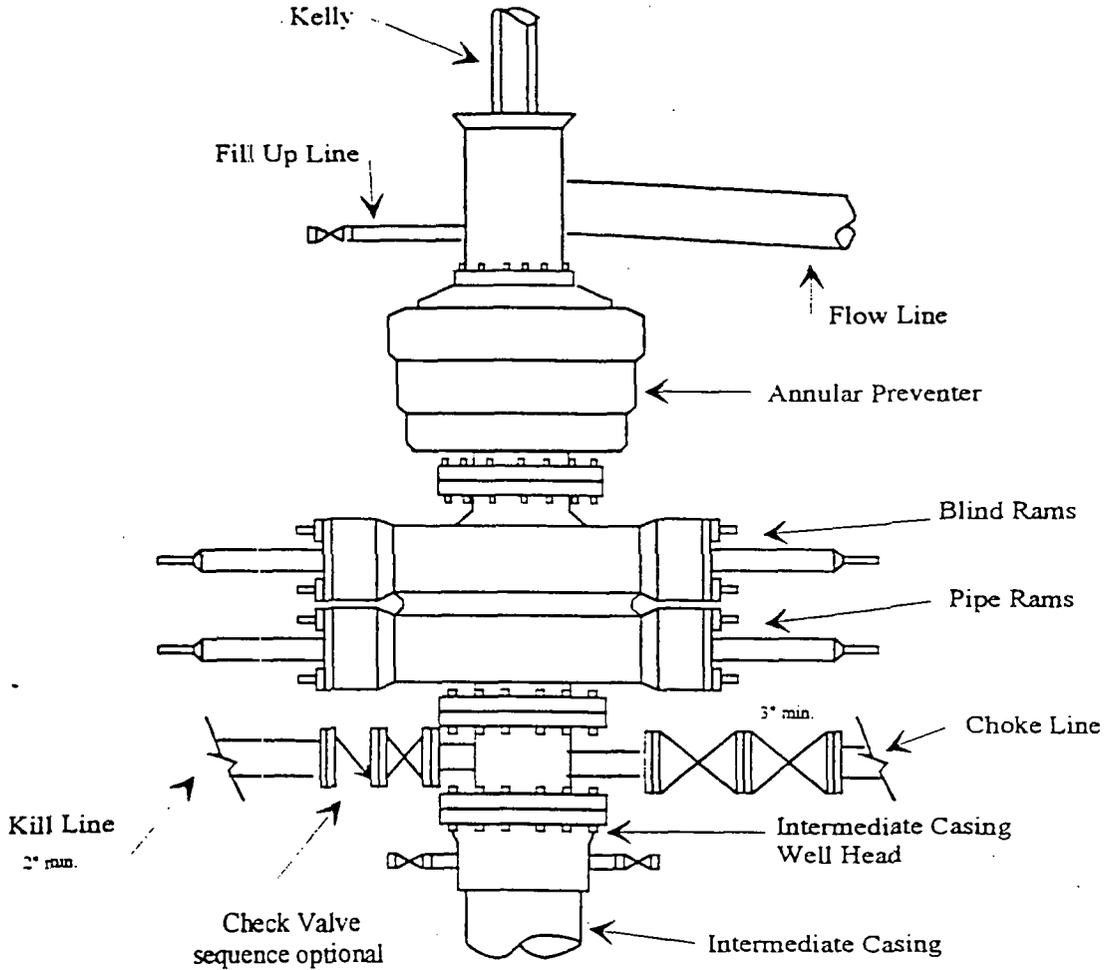
Certificate Number  
 NM REAPS-NO. 05412



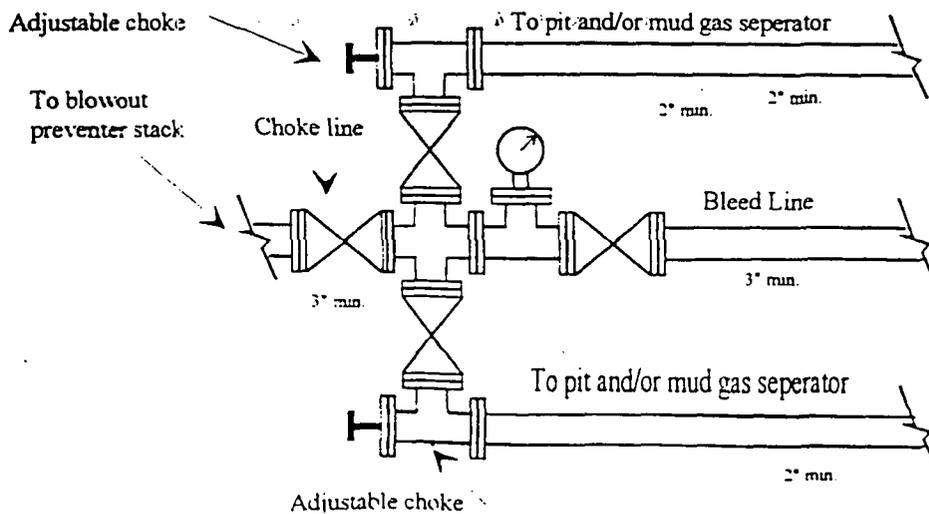
# Yates Petroleum Corporation

BOP-3

## Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



### Typical 3,000 psi choke manifold assembly with at least these minimum features



Notification List of Offset Operator(s)  
to Unorthodox Morrow Gas well location  
Concho "ACT" St. Com. #1  
Township 17 South, Range 27 East  
Section 8: 1650' FNL & 660' FEL  
Eddy County, New Mexico

Oxy USA, Inc.  
Box 50250  
Midland, Texas 79710

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-104  
Revised October 18, 1994

Instructions on back  
Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Concho resources, Inc. 110 W. Louisiana, Suite 410 Midland, Tx 79701		<sup>2</sup> OGRID Number 46111 166111
		<sup>3</sup> Reason for Filing Code CH 2/1/99
<sup>4</sup> API Number 30 - 0 15-30472	<sup>5</sup> Pool Name Crow Flat - Morrow	<sup>6</sup> Pool Code 75720
<sup>7</sup> Property Code 24303	<sup>8</sup> Property Name Chama "8" Federal Com	<sup>9</sup> Well Number 1

II. <sup>10</sup> Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	8	17S	27E		660	North	1650	East	Eddy

<sup>11</sup> Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	8	17S	27E		660	North	1650	East	Eddy
<sup>12</sup> Lse Code	<sup>13</sup> Producing Method Code N/A		<sup>14</sup> Gas Connection Date		<sup>15</sup> C-129 Permit Number		<sup>16</sup> C-129 Effective Date		<sup>17</sup> C-129 Expiration Date

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description



IV. Produced Water

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description

V. Well Completion Data

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBD	<sup>29</sup> Perforations	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size		<sup>32</sup> Casing & Tubing Size		<sup>33</sup> Depth Set	
			<sup>34</sup> Sacks Cement		

VI. Well Test Data

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method

<sup>47</sup> 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.		OIL CONSERVATION DIVISION	
Signature: <i>Terri Statthem</i>	Approved by: <i>Jim W. Geem</i> BOO		
Printed name: Terri Statthem	Title: <i>District Supervisor</i>		
Title: Production Analyst	Approval Date: 3-10-99		
Date: 01/22/99	Phone: 915-883-7443		

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Penwell Energy, Inc., OGRID #147380			
Previous Operator Signature <i>Linda Walker</i>	Printed Name Linda Walker	Title Regulatory Analyst	Date 01/22/99

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N. M. Oil Cons. Division  
811 Other Instructions on reverse side  
ARTESIA, NM 88270-2334

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 PENWELL ENERGY, INC. (BILL PIERCS) 915-683-2534 147380

3. ADDRESS AND TELEPHONE NO.  
 600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 1650' FEL & 660' FNL SEC. 8 UNIT "B" T17S-R27E EDDY CO. NM  
 At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 5 miles Northeast of Artesia New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any.) 660'

16. NO. OF ACRES IN LEASE 320

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA

19. PROPOSED DEPTH 9200'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3360' GR.

22. APPROX. DATE WORK WILL START\* WHEN APPROVED

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-98809

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 -----

7. UNIT AGREEMENT NAME  
 ----- 23832

8. FARM OR LEASE NAME WELL NO. CHAMA "8" FEDERAL 9711

9. API WELL NO.  
 30-015-30472

10. FIELD AND POOL, OR WILDCAT  
 CROW FLAT - MORROW 75720

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SEC. 8 T17S-R27E

12. COUNTY OR PARISH EDDY CO. 13. STATE NM

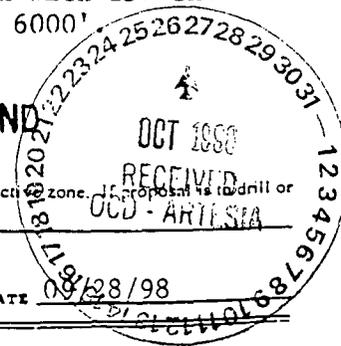
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"	NA	40'	Cement to surface with Redi-mix
12 1/2"	J-55 8 5/8"	24	1850'	950 Sx. circulate cement to surface
7 7/8"	N-80 & J-55 5 1/2"	17 & 15.5	9200'	600 Sx. estimate top cement 6000'
17-1/2"	H-40 13-3/8"	48	400'	Circulate Cement to surface

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 1/2" hole to 1850'. Run and set 1850' of 8 5/8" J-55 24# ST&C casing. Cement with 950 Sx. of Class "C" cement, circulate cement to surface.
3. Drill 7 7/8" hole to 9200'. Run and set 9200' of 5 1/2" casing as follows: 1500' of 5 1/2" 17# N-80 LT&C, 2200' of 5 1/2" J-55 17# LT&C, 3100' of 5 1/2" J-55 15.5# LT&C, 2400' of 5 1/2" 17# J-55 LT&C casing. Cement with 350 Sx. of Halco Light, tail in with 250 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 6000'

SUBJECT TO  
LIKE APPROVAL  
BY STATE

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new production zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Joel Garcia TITLE Agent DATE 09/28/98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Acting  
Assistant Field Office Manager,  
Lands and Minerals

(ORIG. SGD.) ARMANDO A. LOPEZ

OCT 26 1998

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75720	Pool Name CROW FLAT - MORROW
Property Code	Property Name Chama "8" Federal	Well Number 1
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3360'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	8	17 S	27 E		660	North	1650	East	Eddy

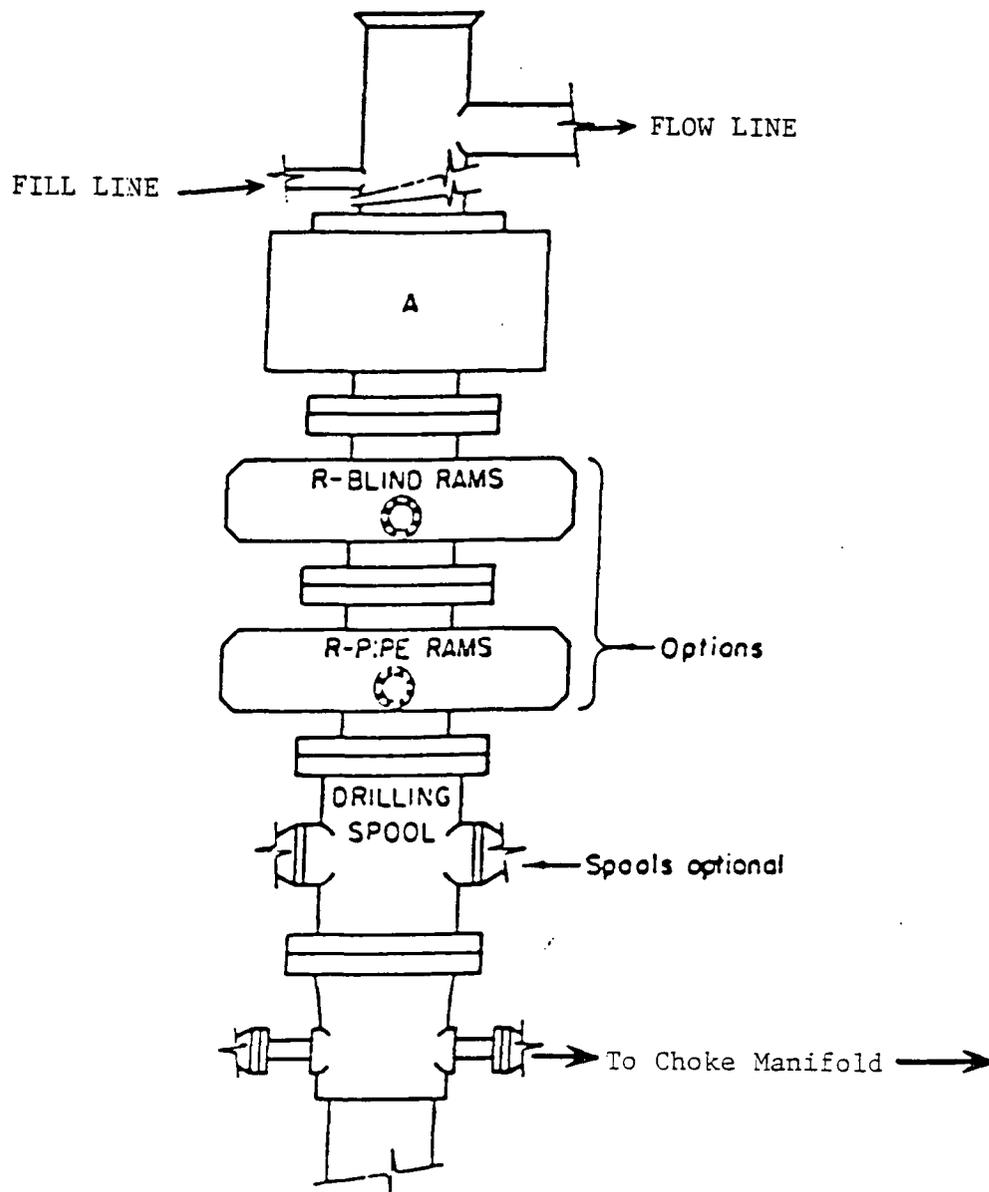
Bottom Hole Location If Different From Surface

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

	<p><b>OPERATOR CERTIFICATION</b></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>Joe P. Janica</i> Signature</p> <p>Joe P. Janica Printed Name</p> <p>Agent Title</p> <p>09/28/98 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></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>September 14, 1998 Date Surveyed</p> <p><i>W.C. Jones</i> Signature Professional Surveyor</p> <p>W.C. Jones Certificate No. 7977</p> <p>BASIN SURVEYS</p>

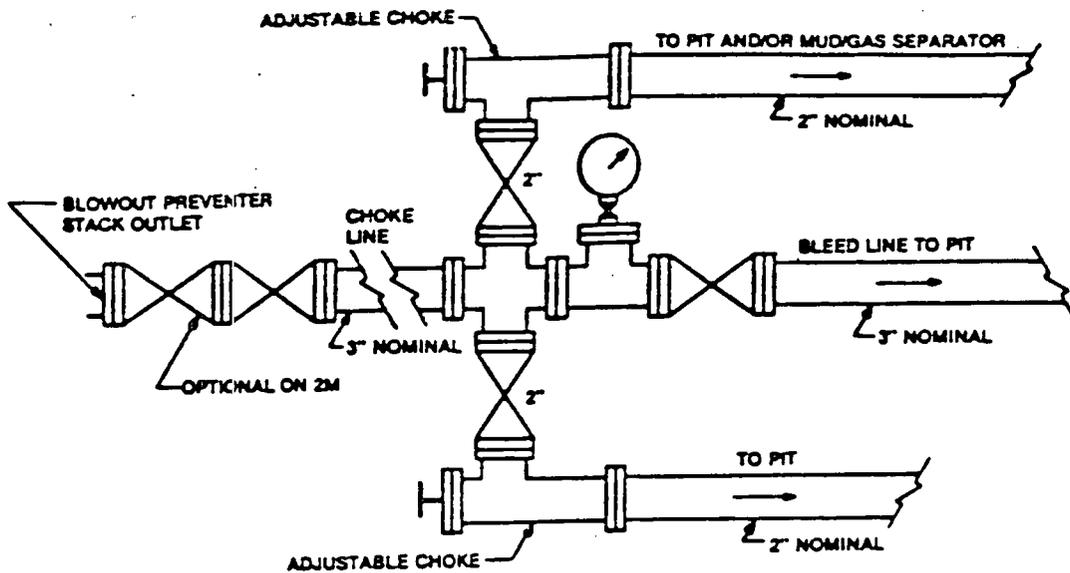


**ARRANGEMENT SRRA**

900 Series  
3000 PSI WP

EXHIBIT "E"  
B.O.P. SKETCH TO BE USEN ON

PENWELL ENERGY, INC.  
CHAMA "8" FEDERAL # 1  
UNIT "B" SECTION 8  
T17S-R27E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

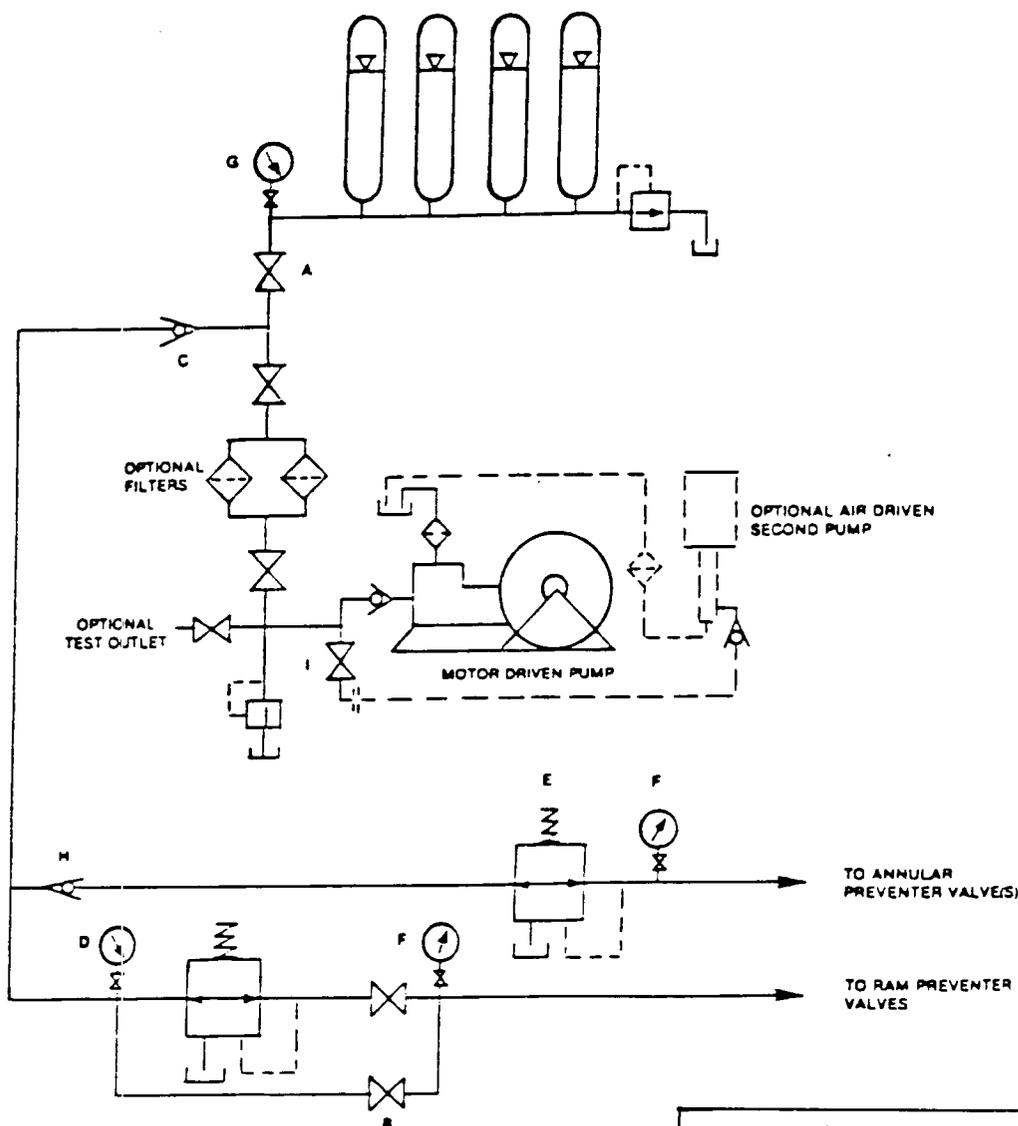


EXHIBIT "E-1"  
CHOKER MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.  
CHAMA "8" FEDERAL # 1  
UNIT "B" SECTION 8  
T17S-R27E EDDY CO. NM

