



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

S. P. YATES

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

May 13, 2002

Mr. Michael Stogner, Chief Hearing Officer New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

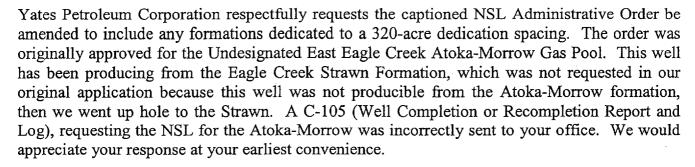
RE:

Amendment to NSL Order 4684 Federal LDY Deep Com. #10

2100' FNL & 1980' FWL, N/2 Dedication

Section 27-T17S R25E Eddy County, New Mexico

Dear Mr. Stogner:



Should you need anything further, please advise.

Thank you for your concern in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

Cy Cowan

Regulatory Agent

CC/rca

Enclosure(s)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

January 7, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 Attention: Cy Cowan Telefax No. (505) 748-4572

Administrative Order NSL-4684

Dear Mr. Cowan:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division's ("Division") on December 6, 2001; (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated December 21, 2001 with questions and concerns regarding notification; (iii) your telefaxed response of January 4, 2002; and (iv) the Division's records in Santa Fe and Artesia: all concerning Yates's request (application reference No. pKRV0-134436145) for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for the existing Federal "LDY" Deep Com. Well No. 10 (API No. 30-015-30974), located 2100 feet from the North line and 1980 feet from the West line (Unit F) of Section 27, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, whereby the N/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Undesignated East Eagle Creek Atoka-Morrow Gas Pool (76240).

It is our understanding that Yates filed its "Application for Permit to Drill (APD)" for the Federal "LDY" Deep Com. Well No. 10 with the U. S. Bureau of Land Management in January, 2000; the Division's district office in Artesia received its copy of the APD on February 16, 2000; on March 28, 2000 Yates spudded this well.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is the Division's understanding that Yates moved this location from its original staked site at a standard gas well location 1980 feet from the North and West lines of Section 27 to the south 120 feet in order to avoid surface obstructions.

By authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox gas well location is hereby approved.

Yates, as a prudent operator, should recognize that a well location is unorthodox prior to its drilling and not wait a period of 20 months after commencing drilling operations to seek the necessary regulatory exceptions. Similar requests may be set to hearing.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

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

Randy Patterson, Yates Petroleum Corporation - Artesia

CMD : OG6 I WCM ONGARD

INQUIRE WELL COMPLETIONS 06/06/02 17:37:46 OGOMES -TPQQ

API Well No: 30 15 30974 Eff Date : 06-17-2001 WC Status ഗ

Pool Idn 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS)

Prop Idn OGRID Idn 25370 FEDERAL LDY DEEP COM 25575 YATES PETROLEUM CORPORATION

Well No 010

GL Elevation: 3534

U/L Sec Township Range North/South East/West Prop/Act(P/A)

Locn 27 17S 25E FTG 2100 F N FTG 1980 F W Ч

Lot Identifier:

Dedicated Acre: 320.00

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : Lease Type

E6317: No more recs. for this api well no.

PF07 PF01 HELP PF08 PF02 PF09 PF03 EXIT PF10 NEXT-WC PF11 HISTORY PF12 NXTREC PF04 GoTo PF05 PF06

Date: 6/6/2002 Time: 05:38:44 PM

PF01 CMD OG6ACRE Sect/Twp/Rng Spacing Unit Prop Idn API Well No Dedicated Land: Pool Idn HELP E0005: Enter data PF02 30 ß 27 17S 25E Acreage 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS) 55245 OCD Order: 25370 FEDERAL LDY DEEP COM Base U/L Sec 15 30974 to modify PF03 EXIT H H C B C102-DEDICATE ACREAGE 27 27 27 27 27 27 Eff Date : 06-17-2001 ONGARD 17S 17S Twp Rng Acreage 17S 17S 17S 17S 20 25E 25E 25E 25E 25E 25E PF keys to 25E 25E PF04 GoTo 320.00 40.00 40.00 40.00 40.00 40.00 40.00 40.00 40.00 scroll Revised C102? (Y/N) Simultaneous Dedication: PF05 L/W **ZZZZZZZ** Ownership H FD ĦD ĦD FD FD 된 된 H 06/06/02 17:37:57 Well No : 010 Page No : PF06 OGOMES -TPQQ Lot Idn CONFIRM

PF07 BKWD

PF08 FWD

PF09

PF10 LAND

PF11 NXTSEC

PF12 RECONF

OG6IPRD OGRID Identifier CMD : 25575 YATES PETROLEUM CORPORATION INQUIRE PRODUCTION BY POOL/WELL ONGARD 06/06/02 17:38:11 OGOMES -TPQQ

Page No: 1

API Well No Pool Identifier 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS)

30 15 30974 Report Period - From : 01 1999 To : 05 2002

API	. W	API Well No
30	٦ ٦	30974
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		Benorting Deriod Total (Gas Oil) .

keporting Period Total (Gas, Oil)

M0025: Enter PF keys to scroll

PF07 BKWD HELP PF02 PF08 FWD PF09 PF03 EXIT PF04 GoTo PF10 NXTPOOL PF11 NXTOGD PF05 PF12 PF06 CONFIRM

Date: 6/6/2002 Time: 05:39:10 PM

CMD : OG6IPRD INQUIRE PRODUCTION BY POOL/WELL ONGARD 06/06/02 17:38:18 OGOMES -TPQQ Page No: 2

API Well No Pool Identifier OGRID Identifier З О 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS) 25575 YATES PETROLEUM CORPORATION 15 30974 Report Period - From : 01 1999 To : 05 2002

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155	API Well No
30974 30974 30974	l No
15 30974 FEDERAL LDY DEEP 15 30974 FEDERAL LDY DEEP 15 30974 FEDERAL LDY DEEP	Property Name
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ABBC ABBC ABBC	ame
COM	! !
01 02 02 02 03 02	Prodn. I MM/YY]
02	dn.
15	Prodn. Days MM/YY Prod
2 2 2 2	Production Gas
	n Volum Oil
	Water
ממש	Well Stat

Reporting Period Total (Gas, Oil) : 14178 4

E0049: User may continue scrolling.

PF07	PF01 HELP
BKWD	HELP
PF08 FWD	PF02
PF09	PF03 EXIT
PF10	PF04
NXTPOOL	GoTo
PF11 NXTOGD	GoTo PF05
PF12	PF06 CONF

Date: 6/6/2002 Time: 05:39:12 PM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. DIV-Dist. 2018 NO. 1004-0137
1301 W. Grand Atypers February 28, 1995
5- EASE DESIGNATION AND SERIAL NO. 88210...

a. TYPE OF WELL:		OIL WELL	GAS WELL X	DRY	Other		6. IF INDIAN, ALL	OTTEE OR TIRBE NAME
. TYPE OF COMPLETION:		-						
NEW WELL X	WORKOVER	DEEPEN	PLUG BACK	DIFF RESVR.	Other	15161	7. UNIT AGREEM	ENT NAME
. NAME OF OPERATOR			·		\$50.131	13/6/	_	
Yates Petroleum Col	poratio	n			15.V	1 5	9. FARM OR LEAS	SE NAME, WELL NO.
. ADDRESS AND TELEPHONE NO					1	- A =		DY Deep Com #10
105 South Fourth St.		ia. NM 88	3210		1 m ()	48-1471	DAPI WELL NO.	
LOCATON OF WELL (Report lo				renniremenis)*	D 333	1/1/1/2	 10	045 20074
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	JNITE	70051			A.C. 7.	(S)	N/	
at top prod. Interval reported be					/6.5	7	(U /	ek Atoka-Morrow, East
1003'-8039' ATOKA		F	EB 13 2002		1	808628210	/	-17-25
it total depth		1	LD 10 2002			306.00	*	T168-R35E-
·· ·· ·· ··	ł			14.	PERMIT NO.	DATE ISS	UED 12. CO. OR PARIS	
3470'	İ		LES BABYAK			ì	•	Eddy
5. DATE SPUDDED	16. DATE T.D.	REACHED E. III	17 DATE COMPT RESOLUTE	prod.) 18.	ELEVATIONS (DF, R	KB, RT, GR, ETC.)	19. ELEV. CASHIN	GHEAD
RH-3-28-00,RT-4-08-00	5/4	4/00	6/17/00		353	4' GR		
D. TOTAL DEPTH, MD & TVD		21. PLUG BACK T		F MULTIPLE COMPL.		23. INTERVALS DRILL	ı	CABLE TOOLS
8470'			429'				40-8470'	<u> </u>
PRODUCTION INTERVAL(S), OF THIS	COMPLETION	- TOP, BOTTOM, I	NAME (MD AND TVD)*				25. WAS DIRECTO	ONAL SURVEY MADE
NTOKA 8033-8039'							İ	No
		- 	······································	·-			27. WAS WELL CO	
R/CCL/CBL								No
3			CAS	SING RECORD (Re	port all strings se	t in well)		
CASING SIZE/GRADE		WEIGHT. LB./	FT. DEPTH SET (MD)		SIZE		EMENTING RECOR	AMOUNT PULLED
20"		ļ	40'		5"		O SURFACE	<u> </u>
13-3/8"		48#	355'		1/2"		X-CIRC	
9-5/8"		36#	1208'		1/4"		X-CIRC	ļ
4-1/2"	2000	11.6#	8476'	8-3	/4"		0 SX	<u></u>
9 LINER RE	CORD TOP (MD)	BOTTOM (M	ID) SACKS CEMENT	SCREEN (MD	SI SI	30 ZE SIZE	TUBING RECOI	
VII.	10. (1.0)		STORE SEMEST	OUNCE! (MD	2-3		7686'	7694'
						/0	1,000	7034
. PERFORATION RECORD (Inter	val, size and n	umoer)		L	32	ACID, SHO	OT, FRACTURE, CEME	NT SQUEEZE, ETC.
·					DEP	TH INTERVAL (MO)	AMOUNT AND	KIND OF MATERIAL USED
033-39' - 28 HOLES					8033-39			I/IC/HCL ACID W/
750-58' - 80 HOLES							BALL SEAL	
					5964-59			1/2% DI/IC/HCLW/ BALL SEALERS
				PROF	DUCTION	THE CARLO SU	ACIAITIO G	DAIL OLALINO
ATE FIRST PRODUCTION		PRODUCTION	METHOD (Flowing, gas			WELL S	TATUS (Producing o	or shut-in)
-2117HOT 6	-17-11			lowing			Produ	
ATE OF TEST	HOURS TEST	ED CHOKE SIZ	ZE PROD'N, FOR TE	ST PERIOD	OIĻ-88L	GAS-MC	F WATER-8BL	GAS-OIL RATIO
7/5/01	24	14/64		\rightarrow	0	150	0	<u> </u>
		PRESS	CALCULATED 24-	\ -	OIL-BBL	GAS-MC		OIL GRAVITY-API (CORR
349#		00#		\rightarrow	0	150	0	43.6
DISPOSTION OF GAS (Sold, use	ed for fuel, ver	ited, etc.)	CDA/OD: O				TEST WITNESS	
LIST OF ATTACHMENTS			SIWOPLC				SAN	MACHUCA
			Loge	deviation sur	vev			
EIST OF ATTACHMENTS			LUOS.					
	oing and att	ached informa				vailable records		
I hereby certify that the foreg	oing and att	ached informa				vailable records		

*(See Instructions and Spaces for Additional Data on Reverse Side)

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

YATES PETROLEUM CORPORATION Federal LDY Deep Com #10 Section 27-T17S-R25E Eddy County, New Mexico

Results DST #1:

Times: 30",60",6', 120". SI -- BOB - 5 min.

Times: 5,10,15,20,25,30,35,40,45,50,60 minutes. BOB immediately upon tool open. Recovery: 708' (4.31 bbls) gas cut drilling mud, CL 45-48,000#. NOTE: Pulled loose

with 40K over string weight, jarring once.

Sampler: 224 psi, 6 cu ft gas, 1000 cc mud, Cl 48,000.

OPERATOR: WELL/LEASE:

YATES PETROLEUM CORP. FEDERAL LDY DEEP COM. #10

COUNTY:

EDDY

STATE OF NEW MEXICO DEVIATION REPORT

175	1 1/4
848	2 1/4
934	2 1/4
1,166	1 1/4
1,770	1 1/2
2,266	1 1/4
2,761	1
3,262	3/4
3,764	1 1/2
4,262	1/4
4,669	2
4,915	2
5,160	1 1/4
5,654	1 1/2
5,900	3/4
6,369	1/2
6,771	3/4
7,214	1
7,682	1 1/2
8,024	1 1/2
8,421	1 1/2

By Twe Do

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 18th day of May, 2000, by Steve Moore on behalf of UTI Drilling.

My Commission Expires: 3/31/2003

Notary Public for Midland County, Texas

Tom. inp. 20/81/2006

State of New Mexico

Energy, Minerals & Natural Resources Dep

OIL CONSERVATION DIVISION

PO Box 1980. H

District II

PO Box 2088 Santa Fe, NM 87504-2088

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

PO Dra AMENDED REPORT PO Box 2068, Santa Fe, NM 87504-2086 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT Yates Petroleum Corporation 25575 3. Reason for Filing Code 104 South 4th St. Test perfs 8033-7822 Artesia, NM 88210 505-748-1471 (Atoka-Morrow) down line **762**50 30-015-30974 Eagle Creek Atoka-Morrow, East 76240 9, Well N Federal LDY Deep Com 10 Surface Location 27 75 W 2100 1980 Eddy Bottom Hole Location 6/17/01 111. Oil and Gas Transporters 20. POD 21. O/G 27_/7-2 Unit F Section 20-15- Amoco P/L Int. Trucking 28313*0*6 138648 502 N West Avenue Levelland, Tx 79336 **Agave Energy Company** G 105 S Fourth Street Unit F Section 29 Artesia, NM 88210 NOV 2001 RECEIVED OCD - ARTESIA **Produced Water** 24 POD ULSTR Location and D Unit F Section 29-15S-35E Well Completion Data 27. TD 28. PBTD 46. I hereby certify that the rules of the Oil Conservation Division have been complied FOR RECORD ONLY Donna Clack JAN 152 Operations Technician

Printed Name

Phone:

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

Previous Operator Signature

19-Nov-01



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

O Box 1980, Hobbs, NM 88241-1980		
Nutrict II	OIL CONSERVATION DIVIS	ION
O Drawer DD, Artesia, NM 88211-0719	PO Box 2088	
District (I)	Santa Fe, NM 87504-2088	
000 Rio Brazos Rd., Aztec, NM 87410		
District (V		
20 Box 2088 Santa Fe NM 87504-2088		

PO Box 2088, Santa Fe	e, NM 87504-2088	F	REQUEST FOR	R ALLOWAB	LE AND AU	JTHORIZATI	ON TO TRAN	ISPORT	
	Votos Potro		1. Operator Name						OGRID Number
	Yates Petroleum Corporation 25575 104 South 4th St. 3. Reason for Filing Code								
	Artesia, NM		505-748-1471						NW 7.74
									76240
	4. API Number			5 1 0		Pool Name			/
	30-015-3097 7. Property Code	74	<u> </u>	Eagle Cree		orrow, East			7,6250 9. Well Number
	253	70				Federal L	DY Deep Cor	m	10
Ul or lot no.	Section	Location / 7	S ZSE	Lot idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
F	2927	1,55	25E		2100	N	1980	w	Eddy
UL or lot no.	11. Bottom	Hole Location	Range	Lot Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
OL OF EX INC.		10000	Thangs	25. (61.)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		1
12. Lse Code	13. Produci	ng Method Code	14. Gas Conr	nection Date	15. C-129	Permit Number	16. C-129 Effe	octive Date	17. C-129 Expiration Date
<u> </u>	Oil and Gas	F Transporters	6/17/01						
18. Tr	Oli allu Gas	riansporters	19. Transporter Name and Address		20	. POD	21. O/G	L	OD ULSTR Location and Description
		Amo	co P/L Int. Truc				0		27-17-25
13	8648		2 N West Aven	_	283	13 06			ction- 20-15S-35E
		Lev	elland, Tx 79	336			_		
141	7831	Agav	e Energy Com	pany			G		17-17-25
49	8848	10	5 S Fourth Stre	eet	283	307		Unit F Se	ction 29-153-35E
		Ar	tesia, NM 882	10					
									NOV POIL RECEIVED CD - ARTESIA
								1718	1323
								18/2	NOV POIL RECEIVED AND ARTESIA
]		374	NOA 5.001
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0.7	Dood wood V	M-4						\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	CD - ARTESIA
<u>IV.</u>	Produced V	23. POD				24. POD (JLSTR Location and Desc	oription 6	
28 3	713/18	27	-17-25		Unit F	Section-29-4	15C 35E		99462
V. 25.8	Well Comp		eady Date	27.1	TD	28	PBTD		29. Perforations
	00, RT-4-8-00	6/17/00	,	847			29'	8033-78	22'-Atoka Morrow
	30. Hole Size		31.	Casing & Tubing Size		32. Depth Set			33. Sacks Cement
	26"		ļ	20"		40'			cement to surface
	17-1/2"			13-3/8"		355'			400sx-circ
	12-1/4"			9-5/8"			1208'		700sx-circ
	8-3/4"		<u> </u>	4-1/2"			8476'		2360 sx
VI. 34. Di	Well Test D		Delivery Date	36. Tes	t Date	37. Te	st Length	38. Tbg. Pressure	39. Csg. Pressure
	-17-01 Chake Size		-17 <u>-0</u> 1	7/5/			hrs	340#	1400# 45. Test Method
ł	4/64		0	2"		1 1 //	MCF	43.6	F :
46. I hereby cert	tify that the rules of t	the Oil Conservation	Division have been co	mplied		//			
with and that the knowledge and I	_	above is true and con	nplete to the best of m	у	1004			TION DIVISIO	
Signature:	da.	. /	Dark	1	Approved By:	/ J	lim h	J. Sen	
Printed Name:	NUN	na (XUUR		Title:	· · · · · · · · · · · · · · · · · · ·	<u> </u>		
	na Clack						TII (
Title:	Operations Technician JAN 1 5 2062					5 2002			
Date:		Phone:						V. 11. 1	·
47. If this is a char	inge of operator fill in C	19-Nov-0	le of the previous operato	or.					
	go or operation that the	The second series (Idil)	provious operato						
	Previous Operator	Signature			Printed Name			Title	Date
L							-		

m 3160-5 igust 1999)

pproved by

onditions of approval, if any, are attached. Approval of this notice does not warrant or ertify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

N.M. Oil Cons. Division 811 S. 1st Street 811 S. 1st Street FORM APPROVED OMB No. 1004-0135 Expires November 30, 2000 Artesia, NM 88210-2834

SUNDF Do not use to abandoned w	RY NOTICES AND REPORTS this form for proposals to drill rell. Use Form 3160-3 (APD) for	ON WELLS or to re-enter and such proposals.	23456786	6. If India	NM-0630 an, Allottee or Tribe Nar	ne
	RIPLICATE - Other instruction			7. If Unit	or CA/Agreement, Nam	e and/or No.
Type of Well			CEIVED =			
Oil Well X Gas Well [Other	\@ <u></u>	- ARTESIA	8. Well h	Name and No.	
Name of Operator		/6	17.07.6\ Q1.13\ 2	1	al LDY Deep C	om #10
Yates Petroleum (/ cc.	3814	9. API W		
Address		Phone No. (include in	eucoaej		30-015-30974	
105 S. 4th St	Artesia, NM 88210	505-748-1471		ĺ	and Pool, or Exploratory	
-	:, r., k., m., or survey Description) FWL of Section 27-T17S	P P 25 F (11m4+ 1	r crnul		<u>Creek Atoka Mo</u> y or Parish, State	rrow, Las
2100 FNL & 1900	rwL of Section 27-1178	S-KZJE (UHIC I	e, SENW)	11. County	y or a arisin, orace	
					Eddy Co., N	íM
12. CHECK AI	PPROPRIATE BOX(ES) TO INI	DICATE NATURE	OF NOTICE, RI	EPORT, O	R OTHER DATA	
TYPE OF SUBMISSION		TYPE	OF ACTION			
·				(D)	D Water Shirt Off	
Notice of Intent			Production (Start/ Reclamation	Kesume)	Water Shut-Off Well Integrity	
-	1 <u> </u>	Fracture Treat New Construction	Recomplete		© OtherInterm	adiata
Subsequent Report		Plug and Abandon	Temporarily Aba	ndon	casing &	
Final Abandonment Notice	I	lug Back	Water Disposal	noon	cabing a	CCINCITC
following completion of the investing has been completed. Fi determined that the site is ready TD 1209'. Reache of casing set at Cemented with 500 Tailed in with 20 2000. Bumped plu to 3000 psi for 1	the work will be performed or provide the colved operations. If the operation result in the operation result in the colved operations. If the operation result in the colved of the colv	s in a multiple complet only after all requirem 000. Ran 27 shoe set at 1 2% CaC12, 5#/ CaC12 (yield culated 154 s d out at 4:00	joints of 9- 208'. Inserting sectors of 1.34, weights acks. WOC.	n a new internation, have -5/8" 30 rt floar ite (yiell nt 14.8) Nipple	rval, a Form 3160-4 shall been completed, and the 6# J-55 (1214 t set at 1163 eld 1.97, weil). PD 2:15 Pled up and tes	Il be filed once le operator has .45') . ght 12.5). M 4-10- ted
						
I hereby certify that the foregoin Name (<i>Printed/Typed</i>)	ig is true and correct	1				
Rusty Klein		Title Op	erations Tec	hnician	1	
Signature Signature	Kail		y 1, 2001			
- pring	THIS SPACE FOR F					
,	TITLE STAVE FUN F	ニッニ・ハニ マニ マーハー	_ UIIIUL UUL			

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United lates any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DAVID R. GLASS DAVID R. GLASS

Title

Office

PETROLEUM ENGINEER

ACCEPTED FOR RECORD

JUN

(ORIG. SGD.) DAVID R. GLASS

1 2001

Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

N.M. Oil Cons Division FORM APPROVED 841 S. 1st Street Expires November 30, 2000

SUND	RY NOTICES AND REF	ORTS ON W	ELLSArt	esia, NM	88210-2	Senal No.	30
Do not use to abandoned w	his form for proposals (vell. Use Form 3160-3 (A)	to drill or to r PD) for such p	ropo sals .	A 56	6. If Indi	ian, Allottee or	
SUBMIT IN T	RIPLICATE - Other inst	ructions on	· ·	~ (411 E.1311)	7. If Uni	t or CA/Agreer	nent, Name and/or No.
1. Type of Well			RI RI	PEIVES	<u>-2</u>		
Oil Well X Gas Well	Other	,	S OCD	- ARTESIA		Name and No.	
2. Name of Operator	/		(A)		Feder		Deep Com #10
Yates Petroleum (Corporation	1h Phone N	lo. (include an	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	9. API V		2007/
	Artesia, NM 8821		748-1471		10. Field	30-015-1	sploratory Area
Location of Well (Footage, Sec				·			oka Morrow, Eas
2100' FNL & 1980'	FWL of Section 27	-T17S-R25E	(Unit F	F, SENW)		y or Parish, Sta	
						Eddy (Co., NM
12. CHECK AI	PPROPRIATE BOX(ES)	O INDICATE	NATURE	OF NOTICE,	REPORT, C		
TYPE OF SUBMISSION			TYPE	OF ACTION			
		D .			And (D)		Chut Off
Notice of Intent	Acidize Alter Casing	Deepen Fracture T		Production (S Reclamation	tan/Resume)	Well In	Shut-Off
— · · · · · · · · · · · · · · · · · · ·	Casing Repair	New Cons		Recomplete			Production
Subsequent Report	Change Plans	Plug and A		Temporarily	Abandon		ing & cement
Final Abandonment Notice	Convert to Injection	Plug Back		Water Dispos	ai	 -	
TD 8470'. Reached 32 joints of 4-1/2" varnished (353.65') 4-1/2" 11.6# S-95 v (4938.22') (Total 8 collar set at 8429' Cemented with 1000 weight 12.4). Tail and 5#/sack gilsoni 1750 psi for 5 minu with 2% KCL.	11.6# S-95 sandb; 8 joints of 4- varnished (1479.40 3487.13') of casing. Bottom marker sacks "H" (65-35- ed in with 1360 s. te (yield 1.59, we	lasted (13 1/2" 11.6# ') and 117 g set at 8 set at 711 6), 4/10% acks Super eight 13.2	84.95'); S-95 sa joints 476'. F 1-7091'. FL52 and C Modif). PD 2	8 joints Indblasted of 4-1/2" Tloat shoe Top mar 5 #/sack Ted, 1% K	of 4-1/2 (330.91' 11.6# S- set at 8 ker set 6 gilsonite CL, 6/10% 6-2000.	2" 11.6# 2); 34 jc -95/P-110 3476'.	S-95 pints of varnished float c. 2.0, 6/10% FL25 plug to
Waiting on completi							
 I hereby certify that the foregoin Name (Printed/Typed) 	ig is true and correct	1					
Rusty Klein				Title Operations Technician			
Signature KIATA	Kley		Date May	1, 2001			
- prof	THIS SPACE	FOR FEDERA		E OFFICE US		E0055	
pproved by			Title	(ORIG.S	GD.) DAVI	ECORD Der Gla	SS
conditions of approval, if any, are entify that the applicant holds legathich would entitle the applicant to	I or equitable title to those rigi	ce does not warra	nt or lease Office	,,,,	,		
Fitle 18 U.S.C. Section 1001 and Ti	tle 43 U.S.C. Section 1212, mak	e it a crime for an	y person know	ingly and willful	MOR" GLAS	y department	or agency of the United

Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

N.M. Oil Cons	FORM APPROVED FORM APPROVED Expires November 30, 2000
811 S. 1st Str	Expires November 30, 2000

CLINDS	BUREAU OF LAND MAN	AUEM	ON WELLS	Artaeia NM S	PO1Lease S	erial No.
Do not use the abandoned w	RY NOTICES AND REPolits form for proposals to the line of the line	o drill PD) for	or to re-entersuch propos	an 25656	6. If India	1, Allottee or Tribe Name
	RIPLICATE - Other insti				7	or CA/Agreement, Name and/or No.
1. Type of Well			15	PECEUL	2	
Oil Well X Gas Well	7 Other		26	OCD - ARTESIA	8. Well Na	ame and No.
2. Name of Operator	/		\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Č	J /	al LDY Deep Com #10
Yates Petroleum (Corporation			کے المان	9. API We	
3a. Address			•	the drata ofte is Ver		30-015-30974
	Artesia, NM 8821		505-748-1	4/1	-1	d Pool, or Exploratory Area
4. Location of Well (Footage, Sec 2100 FNL & 1980			-R25E (Un:	t F, SENW)		ceek Atoka Morrow, East or Parish, State
				·	<u> </u>	Eddy Co., NM
12. CHECK AP	PROPRIATE BOX(ES) T	O IND	DICATE NAT	JRE OF NOTICE, R	EPORT, OF	OTHER DATA
TYPE OF SUBMISSION			Т	YPE OF ACTION		
	Acidize)eenen	Production (Start	/Resume)	Water Shut-Off
Notice of Intent	Alter Casing		racture Treat	Reclamation	, resume,	Well Integrity
(N) Culanium Parasi	Casing Repair		lew Construction	Recomplete		Other Spud, conductor,
X Subsequent Report	Change Plans		lug and Abandon	Temporarily Aba	andon	surface casing
Final Abandonment Notice	Convert to Injection	P	lug Back	Water Disposal		& cement
Spudded a 26" hole of 20" conductor p spud. Resumed dri TD 355'. Ran 8 jo notched guide shoe C and 2% CaC12 (yie OK. Circulated 18:12:30 PM 4-9-2000. drilling.	with rat hole mac ipe. Cemented to lling a 17-1/2" ho ints of 13-3/8" 48 set at 354'. Ins eld 1.34, weight I	surfa 1e w: # H-4 ert : 4.8). t of:	ace. NOTE ith rotary 40 (360') float set . PD 2:15 f and weld	: Notified Ca tools at 12:3 of casing set at 310'. Ceme PM 4-8-2000. ed on flow nip	thy w/BL 0 AM 4-8 at 355' nted wit Bumped p ple. Dr	M-Carlsbad of -2000. . 1-Texas Pattern h 400 sacks Class lug to 385 psi, illed out at
14. I hereby certify that the foregoing	g is true and correct	<u></u>				
Name (Printed/Typed)	_	1	Title	O		
Rusty Klein	1/1			Operations Tec	nnician	<u>, , , , , , , , , , , , , , , , , , , </u>
Signature Tyustip	Hein		Date	5-1-2001	אמ מרא	
l V	THIS SPACE F	OR FE	EDERAL OR S	TATACOCEIPE ESE	UK KEU	UNU
Approved by Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to c	or equitable title to those right	s in the	not warrant or subject lease	(ORIG. SGD.	1 2001	
Title 18 U.S.C. Section 1001 and Tit States any false, fictitious or fraudule	le 43 U.S.C. Section 1212, make nt statements or representations a	it a crin s to any	ne for any person matter within its	knowingly and Will Lifty	9 maked IN EDE	department or agency of the United

Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

N.M. Oil Cons. Division FORM APPROVED
811 S. 1st Stree

S. Lease Serial No.

Do not use th	Y NOTICES AND REPO nis form for proposals to ell. Use Form 3160-3 (API	arın or to	re-enter an	esia, NA	6. Hin	34 N	M-0630 Iottee or Trit	e Name	
SUBMIT IN TR	IPLICATE - Other instru	ıctions oı	toxelae*a	de	7. If U	nit or CA	V/Agreement	, Name and	d/or No.
1. Type of Well				330					
Oil Well X Gas Well	Other	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	100	6	8. Wei	ll Name	and No.		
2. Name of Operator		188	Dr 30), (ii)	Fede	eral	LDY Dee	p Com	#10
Yates Petroleum C	orporation	12 0	CDELLO	7/ N ***	9. API	Well No	o. 🗸		
3a. Address		164	No. (inspude at				015-309		
105 S. 4th St		16	-748-14 <i>1</i> 1	1 3			ol, or Explo	•	
4. Location of Well (Footage, Sec. 2100' FNL & 1980'	FWL of Section 27-1	(2,2)	क्रिश्मिर्भ अ	S) SENW)		inty or Pa	arish, State		<u>ow, Ea</u> st
							ddy Co.		
12. CHECK AP	PROPRIATE BOX(ES) TO) INDICAT	E NATURE	OF NOTI	CE, REPORT,	OR O	THER DA	.TA	
TYPE OF SUBMISSION			TYPE	OF ACTIO	N				
	Acidize	☐ Deepen		Productio	n (Start/Resume)		Water Shut	-Off	
Notice of Intent	☐ Alter Casing	Fracture	_	Reclamat	,	ō	Well Integr		
Subsequent Report	Casing Repair		_	Recomple	ete	ā	Other	•	
Subsequent Report	X Change Plans	Plug and	Abandon [Temporar	ily Abandon				
Final Abandonment Notice	Convert to Injection	Plug Bac	k [] Water Dis	sposal				
Yates Petroleum Co and hole sizes as FROM: 17-1/2" hole with 12-1/4" hole with 7-7/8" hole with 4 top of cement brou TO: 17-1/2" hole with 12-1/4" hole with 8-3/4" hole with 7 brought back to 70	rporation respectful follows: 13-3/8" 48# H-40 ST 8-5/8" 24# J-55 ST 8-1/2" 11.6# N-80 LT ght back to 4700' 13-3/8" 48# H-40 ST 9-5/8" 36# J-55 ST 8" 26# & 23# casing 0'	Illy req I&C casi I&C casi I&C casi I&C casi	ng set at g set at ng set at ng set at g set at g set at	350' w 1200' w 2 8600' 2 350' w 1200' w 2 h 950 s	to change with 450 so with 650 so with 450 so with 500 so ex of cemen	e the x of x of sacks x of x of	casing cement, of cement, cement, cement,	circu	ram ulated ulated with ulated ulated
14. I hereby certify that the foregoing Name (Printed/Typed)	g is true and correct		CONTIN	NUED ON	NEXT PAGE:	:			
Rusty Kle∕nn		···	Title Ope	erations	Technici	an			
Signature Kusty	Hen		Date Mar	ch 30,	2000	- 			
Y	THIS SPACE FO	OR FEDER	AL OR STAT	E OFFICE	USE				
~ppioved by	GD.) DAVID R. GLASS			LEUM E	NGMEER	Date	APR (4 200	0
Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to co	or equitable title to those rights	does not war in the subject	rant or 1 lease Office			,			·
Title 18 U.S.C. Section 1001 and Titl States any false, fictitious or frauduler	e 43 U.S.C. Section 1212, make int statements or representations as	t a crime for a to any matter	ny person know within its jurisd	ingly and wi	lifully to make to	any depa	rtment or ag	ency of the	e United

YATES PETROLEUM CORPORATION Federal LDY Deep Com #10 Section 27-T17S-R25E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

Breakdown of 7" casing is as follows:

7" 26# J-55 LT&C casing from 0-100'
7" 23# J-55 LT&C casing from 100-5300'
7" 26# J-55 LT&C casing from 5300-7400'
7" 26# J-55 LT&C casing from 7400-8600'

Cement for the 9-5/8" casing will be 250 sacks Lite C (yield 2.0, weight 12.5). Tailed in with 250 sacks Class C and 2% CaCl2 (yield 1.32, weight 14.8).

Cement for the 7" casing will be 950 sacks Super C Modified (yield 1.67, weight 13.0). Top of cement will be brought back to 700'

Kitch

Operations Technician

March 30, 2000

IN. M. UII CORS. DIVISION

811 S. 18T ST.

ARTESIA, NIA 68210-29541

ORM APPROVED DMB No. 1004-0136

ires November 30, 2000

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

l Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. 1a. Type of Work: DRILL □ REENTER 25.37O 8. Lease Name and Well No. Federal "LDY" Deep Com. #10 ☐ Single Zone ☐ Multiple Zone 1b. Type of Well: Oil Well A Gas Well Other Name of Operator 9. API Well No. 30-015-30974 Yates Petroleum Corporation 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 105 South Fourth Street Eagle Creek Atoka Morrow Eas Artesia, NM 88210 (505) 748-1471 11. Sec., T., R., M., or Blk. and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*) 2100' FNL and 1980' FWL At surface At proposed prod. zone same Section 27, T17S-R25E 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* Approximately 8 miles west of Artesia, New Mexico. Eddv NM 15. Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. 660' (Also to nearest drig. unit line, if any) 959.74 320 20. BLM/BIA Bond No. on file 18. Distance from proposed location* 19. Proposed Depth to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, 6L-ctc.) 22. Approximate date work will start* 23. Estimated duration ASAP 35341 20 days Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. Operator certification. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Such other site specific information and/or plans as may be required by the SUPO shall be filed with the appropriate Forest Service Office). authorized officer. 25. Signature Name (Printed/Typed) 1/18/00 Ken Beardemph1 Title Landman Approved by (Signature)S/LARRY D. BRAY Name (Printed/Typed) AMERICA BRAY Assistant Field Manager. Title Office Lands And Minerals Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

*(Instructions on reverse)

Conditions of approval, if any, are attached.

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Notify OCD at SPUD & TIME to witness cementing the __casing.

District I

1625 N. Preuch Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals & Natural Resources

Form C-102 Revised March 17, 1999

District [[

\$11 South First, Artesia, NM 88210 District III

2040 South Pacheco

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

1000 Rio Branes Rd., Aztec, NM 87410 District IV 2848 South Pachece, Santa Fe, NM 87505 OIL CONSERVATION DIVISION Santa Fe. NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	TI DED DO CHILLOTTING		
'API Numbe	³ Pool Code ³ Pool Name		
		Eagle Creek Atoka Mo	rrow East
Property Code	'Pr	operty Name	Well Number
	FEDERAL "LDY" DEEP COM	10	
OGRID No.	Op	erator Name	Elevation
025575	YATES PETROLEUM CORPORA	TION	3534.

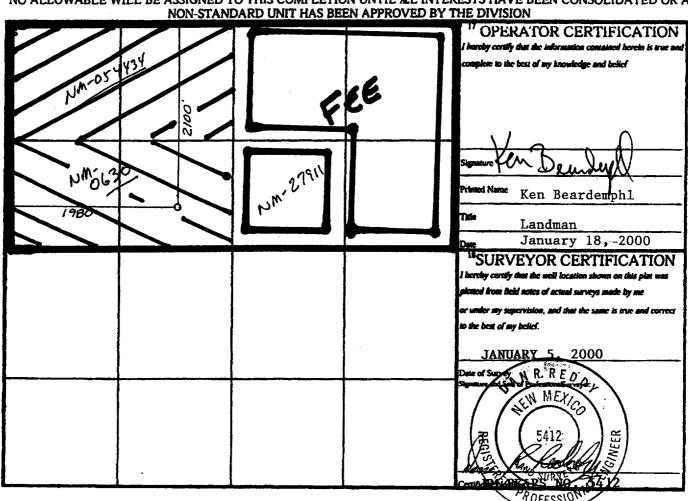
10 Surface Location

-	UL or lot so.	Section	Township	Range	Let Ida	Feet from the	North/South line	Feet from the	East/West line	County	
1	F	27	17-S	25-E		2100	NORTH	1980	WEST	EDDY	

11 Bottom Hole Location If Different From Surface

UL or lot so.	Section Town	nahip Rang	e Let ide	Feet from the	North/South line	Post from the	East/West line	County
18 Dedicated Acres	Joint or Infil	I Consolidation	a Code Co	duc No.				
320								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL AL INTERESTS HAVE BEEN CONSOLIDATED OR A



YATES PETROLEUM CORPORATION

Federal "LDY" Deep Com. #10 2100' FNL & 1980' FWL Sec. 27-T17S-R25-E Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	773′
Glorieta	2159′
Abo	4128′
Wolfcamp Line	5311′
Cisco	6376′
Lower Canyon	7303′
Strawn	7536′
Atoka	7931′
Morow Clastics	8178′
Lower Morrow	8278′
Chester Lime	8378′
TD	8500'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approx 200' - 300' Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8"" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.
- 4. THE PROPOSED CASING AND CEMENTING PROGRAM:
 - A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft	<u>Grade</u>	Thread	Coupling	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C		0-400′	400′
12 1/4"	8 7/8"	24#	J-55	ST&C		0-1300°	1300′
7 7/8"	4 1/2"	11.6#	N-80	LT&C		0-8600'	8600'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

Federal "LDY" Deep Com. #10 Page 2

B. CEMENTING PROGRAM:

Surface casing: 450 sx "C" + 2% CACL2 (Yld 1.32 Wt.15.6)

Intermediate: 500 sx Lite

500 sx Lite (Yld 2.0 Wt. 12.2); Tail in w/200 sx "C" + 2% CACL2

(Yld 1.32 Wt 15.6)

Production: TOC = 4700' 650 sx Super "C" modified (Yld 1.63 Wt. 13.0).

Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-350'	FW/Air Mist	8.4	28	N/C
350'-1200'	FW/Air Mist	8.4	28	N/C
1200'-7500'	Cut Brine	8.6-9.0	28	N/C
7500'- TD	Salt Gel/Starch	9.0-9.5	30-34	< 10

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10 samples of from under surface casing. Logging: CNL/LDT, DLL - w/RXD - TD to casing.

Coring: None anticipated. DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From:	0	TO:	350	Anticipated Max. BHP:	175	PSI
From:	350	TO:	1200	Anticipated Max. BHP:	600	PSI
From:	1200	TO:	8500	Anticipated Max. BHP:	4200	PSI

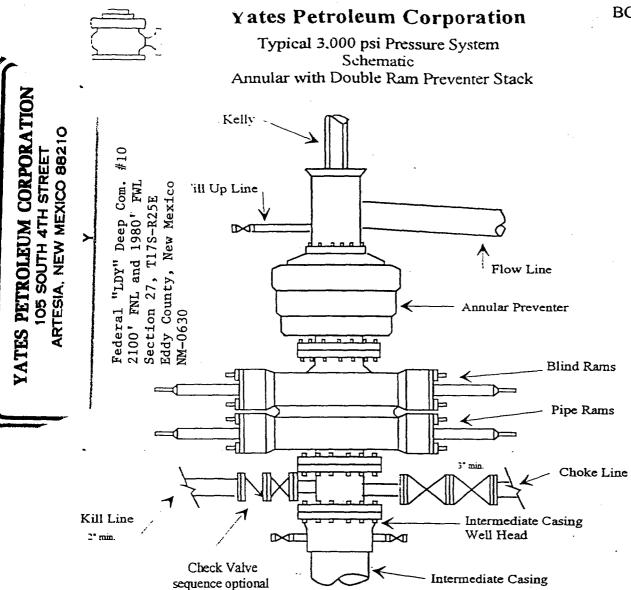
No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

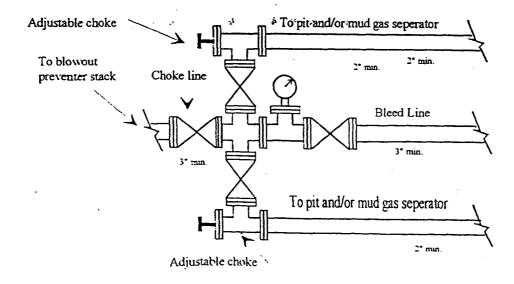
H2S Zones Anticipated: None.

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.



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





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

June 4, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 Attention: Cy Cowan Telefax No. (505) 748-4572

Administrative Order NSL-4684-A

Dear Mr. Cowan:

Reference is made to the following: (i) your application submitted by telefax to the New Mexico Oil Conservation Division ("Division") on May 13, 2002; and (ii) the Division's records in Artesia and Santa Fe, including the file on Division Administrative Order NSL-4684, dated January 7, 2002: all concerning Yates's request to amend the current order of the Division by expanding the vertical limits.

This application (assigned NMOCD Reference No. pKRV0-213540949) has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By Administrative Order NSL-4684, the Division approved Yates Petroleum Corporation's ("Yates") Federal "LDY" Deep Com. Well No. 10 (API No. 30-015-30974), at an unorthodox gas well location 2100 feet from the North line and 1980 feet from the West line (Unit F) of Section 27, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, within a standard 320-acre lay-down gas spacing and proration unit comprising the N/2 of Section 27 in the Undesignated East Eagle Creek Atoka-Morrow Gas Pool.

It is our understanding that Yates has completed this well in the Eagle Creek-Strawn Gas Pool (76320).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Strawn gas well location within the 320-acre unit comprising the N/2 of Section 27 for Yates's Federal "LDY" Deep Com. Well No. 10 is hereby approved.

Further, Division Administrative Order NSL-4684 dated January 7, 2002 shall remain in full force and effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad

File: NSL-4684

NSL-4684-A

June 4, 2002

pKRVO-213540949 Ru: 5-13-02 Sup: 6-2-02 June 4, 2002 Released: 6-4-02

Telefax No. (505) 748-4572

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118

Attention:

Cy Cowan

Administrative Order NSL-4684-A

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Sincerely,

Lori Wrotenbery Director

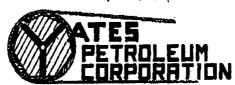
LW/MES/kv

New Mexico Oil Conservation Division - Artesia U. S. Bureau of Land Management - Carlsbad File: NSL-4684 cc:

.m. 16. 000.184012

213540949

NSL



MARTIN YATES, III 1912 - 1905 FRANK W. YATES 1936 - 1906

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

6/2/02

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

Fax Cover Sheet	Fax	Cov	/er	Sh	e	et
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To	i de la compansión de l	
	MIKE STOGUEL	
	Nmem + MRO	
	505 - 476 - 3440	
Fax:	505- 476 - 3462	
Erom		
Commonwe	Cy Coway	
	Yates Petroleum Corporation	
	505-748-1471	
rax:	505-748-4572	
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Date:	57.3/ 602	
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MARTIN VATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



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

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

May 13, 2002

Mr. Michael Stogner, Chief Hearing Officer New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

RE:

Amendment to NSL Order 4684

Federal LDY Deep Com. #10 2100' FNL & 1980' FWL, N/2 Dedication

Section 27-T17S R25E Eddy County, New Mexico (30-015-30974)

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests the captioned NSL Administrative Order be amended to include any formations dedicated to a 320-acre dedication spacing. The order was originally approved for the Undesignated East Eagle Creek Atoka-Morrow Gas Pool. This well has been producing from the Eagle Creek Strawn Formation, which was not requested in our original application because this well was not producible from the Atoka-Morrow formation, then we went up hole to the Strawn. A C-105 (Well Completion or Recompletion Report and Log), requesting the NSL for the Atoka-Morrow was incorrectly sent to your office. We would appreciate your response at your earliest convenience.

Should you need anything further, please advise.

Thank you for your concern in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

Regulatory Agent

CC/rca Enclosure(s) MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY

S. P. YATES
CHAIRMAN OF THE BOARD

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

May 13, 2002

Mr. Michael Stogner, Chief Hearing Officer New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

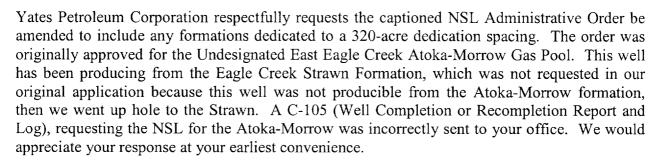
RE: Amendment to NSL Order 4684

Federal LDY Deep Com. #10

2100' FNL & 1980' FWL, N/2 Dedication

Section 27-T17S R25E Eddy County, New Mexico

Dear Mr. Stogner:



Should you need anything further, please advise.

Thank you for your concern in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

Cy Cowan

Regulatory Agent

CC/rca

Enclosure(s)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

January 7, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 Attention: Cy Cowan

Telefax No. (505) 748-4572

Administrative Order NSL-4684

Dear Mr. Cowan:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division's ("Division") on December 6, 2001; (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated December 21, 2001 with questions and concerns regarding notification; (iii) your telefaxed response of January 4, 2002; and (iv) the Division's records in Santa Fe and Artesia: all concerning Yates's request (application reference No. pKRV0-134436145) for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for the existing Federal "LDY" Deep Com. Well No. 10 (API No. 30-015-30974), located 2100 feet from the North line and 1980 feet from the West line (Unit F) of Section 27, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, whereby the N/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Undesignated East Eagle Creek Atoka-Morrow Gas Pool (76240).

It is our understanding that Yates filed its "Application for Permit to Drill (APD)" for the Federal "LDY" Deep Com. Well No. 10 with the U. S. Bureau of Land Management in January, 2000; the Division's district office in Artesia received its copy of the APD on February 16, 2000; on March 28, 2000 Yates spudded this well.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is the Division's understanding that Yates moved this location from its original staked site at a standard gas well location 1980 feet from the North and West lines of Section 27 to the south 120 feet in order to avoid surface obstructions.

By authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox gas well location is hereby approved.

Administrative Order NSL-4684 Yates Petroleum Corporation January 7, 2002 Page 2

Yates, as a prudent operator, should recognize that a well location is unorthodox prior to its drilling and not wait a period of 20 months after commencing drilling operations to seek the necessary regulatory exceptions. Similar requests may be set to hearing.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

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

Randy Patterson, Yates Petroleum Corporation - Artesia

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OG6 I WCM CMD : INQUIRE WELL COMPLETIONS 05/16/02 19:39:39 OGOMES - TPFH

API Well No : 30 15 23770 Eff Date : 10-01-1981 WC Status :

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Pool Idn 76320 EAGLE CREEK; STRAWN (GAS)

OGRID Idn 25575 YATES PETROLEUM CORPORATION

Prop Idn 12243 FEDERAL BQ COM

Well No 007

GL Elevation: 99999

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn Lot Identifier: 27 17S 25E FTG 660 F N FTG 990 F W

Dedicated Acre: 320.00

Lease Type

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

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Date: 5/16/2002 Time: 07:40:01 PM

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PF08 FWD	PF02	
PF09	PF03 EXIT	
PF10 NXTPOOL PF11 NXTOGD	PF04 GoTo PF05	
PF12	PF06 CONFIRM	

Date: 5/16/2002 Time: 07:40:20 PM

OGRID Identifier :		OG6IPRD	CMD :	
25575 YATES PETROLEUM CORPORATION		INQUIRE PRODUCTION BY POOL/WELL	ONGARD	
	Page No: 2	OGOMES -TPFH	05/16/02 19:40:03	

Pool Identifier : 76320 EAGLE CREEK; STRAWN (GAS)

API Well No 30 15 23770 Report Period - From : 01 2000 To : 03 2002

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Date: 5/16/2002 Time: 07:40:22 PM

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Reporting Period Total (Gas, Oil) :

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Reporting Period Total (Gas, Oil) :

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Date: 5/16/2002 Time: 07:40:25 PM

CMD :

OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

05/16/02 19:43:00 OGOMES -TPFH

API Well No: 30 15 30974 Eff Date : 06-17-2001 WC Status :

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Pool Idn 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS)

OGRID Idn : 25575 YATES PETROLEUM CORPORATION

Prop Idn : 25370 FEDERAL LDY DEEP COM

Well No : 010

GL Elevation: 3534

U/L Sec Township Range North/South East/West Prop/Act(P/A)

Lot Identifier: 27 25E FTG 2100 F N FTG 1980 F W

Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF07 PF01 HELP PF02 PF08 PF09 PF03 EXIT PF04 GoTo PF10 NEXT-WC PF11 HISTORY PF12 NXTREC PF05 PF06

Date: 5/16/2002 Time: 07:43:22 PM

E0005: PF01 HELP PPF07 BKWD P			API Well No : Pool Idn : Prop Idn : Spacing Unit : Sect/Twp/Rng : Dedicated Land:	CMD : OG6ACRE
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Reporting Period Total (Gas, Oil) :

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Date: 5/16/2002 Time: 07:43:35 PM

OG6IPRD CMD : INQUIRE PRODUCTION BY POOL/WELL ONGARD 05/16/02 19:43:19 OGOMES -TPFH

Page No: 2

OGRID Identifier 25575 YATES PETROLEUM CORPORATION

Pool Identifier 76240 EAGLE CREEK; ATOKA-MORROW, E (GAS)

API Well No 30 15 30974 Report Period - From : 01 2000 To : 03 2002

30 API Well No 30974 FEDERAL LDY DEEP COM Property Name 01 YY/MM Prodn. 02 Days Prod Gas Production Volumes Water Stat Well လ လ

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Reporting Period Total (Gas, Oil) 13956

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