CASE NO.

7657

APPLICATION,

TRANSCRIPTS,

SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

COMMISSION HEARING

SANTA FE, NEW MEXICO

Hearing Date SEPTEMBER 22, 1982 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Jerd Gallegos	Jerd. Gallegos	Santa Fe
Ray Dyke	Harvey E. Yates Co.	Roswell NM
Joe Hall	HEYCO	Roswell
W. Deane	Heyco	Roswell
Bob Haller	Bryan Co	Santa Fe
Michael P. [illegible]	N.M.O.C.D.	Santa Fe
John R. McMillan	Yates Energy Corporation	Roswell

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
22 September 1982

COMMISSION HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. CASE 7657

BEFORE: Commissioner Ramey
Commissioner Kelley

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: W. Perry Pearce, Esq.
Legal Counsel to the Division
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For the Applicant: Joe Hall, Esq.
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A P P E A R A N C E S

For Viking Petroleum and Jack Grynberg & Associates:
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Santa Fe, New Mexico 87501

I N D E X

I N D E X

E X H I B I T S

MR. RAMEY: We'll call next Case 7657.

MR. PEARCE: That is on the application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico.

MR. RAMEY: Ask for appearances at this time.

MR. HALL: Mr. Examiner, I'm Joe Hall, representing Harvey E. Yates Company, and I have two witnesses to be sworn.

MR. GALLEGOS: J. E. Gallegos, Mr. Chairman, appearing in behalf of Viking Petroleum and Jack Grynberg and Associates.

MR. RAMEY: Do you have any witnesses?

MR. GALLEGOS: We have two witnesses.

(Witnesses sworn.)

MR. GALLEGOS: Mr. Chairman, may I inquire as to the manner of proceeding in Case 7658, which is a companion to this and which, in my estimation, involves common issues of fact and law?

MR. FAMEY: Well, if there is no objection we could consolidate them, these two cases.

MR. HALL: Well, Mr. Examiner, I have --

I have prepared these two cases separately and do not necessarily agree that they are -- are in anyway, any manner need to be tried together.

I think that one is a case to show cause why the order should not be rescinded, just showing that Harvey E. Yates Company was diligent in continuing the drilling and completing the well in question, and the second case is merely a request for multiple completions of this well, and I think there may be some questions that are -- we'll be asking in each case, but I have not prepared them to present together.

MR. GALLEGOS: Mr. Chairman, let me speak to this, because this is starting out here like this is some writing on a new board, and that's not the case at all. This is a very complex case that historically goes back to hearings held by this Commission in November of last year; an order was issued on that hearing in January of this year; that order has been the subject of proceedings in the Chaves County District Court. The issues here run to Viking's position that it should have been -- that the order should have been, and the manner of proceeding in this case should have been on a split risk basis, with it being a participant on a consent basis for completion of a well to the Abo formation and non-consent below the Abo formation.

The question of the manner of completion of this well, and downhole commingling of the production from those two different strata is absolutely intertwined with all the issues concerning the pooling of the mineral interests in this -- in this area of land, and they cannot be separated, and there's no way that the testimony can go as to one and not as to the other.

And I move that they be consolidated and that we get everything out on the table as to all of the issues here.

MR. HALL: If I may have a rejoinder to that, Mr. Examiner, I would object to any attempt by -- by Viking in this case to re-enter and re-try -- try to re-hear a case that has already been decided. It is -- it is being appealed. The order is being appealed in District Court, but until the District Court renders its decision that order stands, and all we are here for today is to show, under the Case 7657, that Harvey E. Yates Company was diligent in prosecuting and completing the drilling of the well in question, and the Case 7658 is to have approval of a multiple completion, which we weren't able to get by administrative approval because there are a couple of perforations from the Atoka that are in the same -- will be in the same wellbore as the Abo.

But entering into questions of the split

risk and was the Commission correct in not allowing Viking to split the risk on this well, and all those issues, are not are not at issue in these particular hearings.

MR. GALLEGOS: Well, Mr. Chairman, I think we're calling before the Commission an important ruling right here at the threshold.

By reason of Yates failure to complete the well in 120 days, as specified by the order, the entire substance and subject matter of the order in question, R-6873, is before this Commission; how that order should be reinstated, if it should be, and how it should be continued in effect; should it be continued in effect under the terms that were stated there in January, or should it be modified in some way, or should it be entirely rescinded.

The Commission has every power, and under the terms of this order the Commission can rescind that order, go back to the position where Yates is not even the operator and mineral interests are no longer pooled, and everything that was provided by that order.

That comes about for the simple reason that the well was not completed in the specified time, and we contend that all those matters are in issue and have to be considered by this Commission at that time, and not to put on some sort of blinders and at the behest of this oper-

ator, who has not performed in accordance to the order, just look at -- at an isolated part of the circumstances that surround this well.

MR. HALL: I think that the Harvey E. Yates Company in this case will prove to the Commission's satisfaction that we were diligent and that we did complete the well within 120 days after we moved the rotary rig onto location, and that the reason that the well was not completed within 120 days from the time it was initially spud was precisely because of the controversy with Viking and the -- the appeal which was taken.

I think we have evidence to put on to that -- to that end.

MR. GALLEGOS: I say -- I say well and good, that just shows that the issues are broader than what they were just contended to be by applicant's counsel, and they should all be heard and all entertained and be decided by this Commission.

MR. HALL: Well, I would object to the -- to Viking coming in and asking the Commission to go back and re-hear the total order, and the order itself is being -- has been appealed by Viking to the -- to the Chaves County District Court, and it is -- that particular issue as to the validity of Order R-6873 is being decided right now.

MR. RAMEY: Anything else?

MR. GALLEGOS: Well, I think the positions are clear and I think we do need to know what -- what this hearing is going to be about.

MR. RAMEY: Okay, I think we'll take about a ten minute recess at this time.

(Thereupon a recess was taken.)

MR. RAMEY: The hearing will come to order.

We'll let Mr. Pearce explain the Commission's ruling on this.

MR. PEARCE: In conference with the Commission, the Commission has ruled that these cases will not be consolidated for purposes of hearing.

Ordinarily the Commission, or its Examiners, consolidate cases for hearing in the interest of efficiency and saving time.

They believe that there may be sufficient differences between these two cases so that a substantial savings of time would not result, and we would ask, obviously, that each party in each separate case present whatever evi-

dence they believe is relevant to those questions, and that may take a little bit more time.

As to arguments which were raised by counsel in arguing the motion for consolidation, the Commission has asked me to inform the parties that we do not view Case 7657 as an application for amendment of Order No. 6873.

In the Commission's view, the question for consideration is whether or not Harvey E. Yates Company has complied with the terms of that order as that order was written, and therefor, evidence which is presented for the purpose of showing that some provision of that order should be amended, as opposed to the entire order being rescinded, may, or will be determined here relevant for purposes of hearing of Case 7657.

MR. GALLEGOS: Mr. Chairman, one further thing concerning the position of the parties.

Since we are now addressing Order R-6873, that order provides that, under paragraph five, which begins on page three, that the operator shall furnish well costs to the other interest owners and to the Commission after completion of the well, and a letter of August 18, 1982, received some few days after that, those well costs were furnished, and we wish to inform the Commission that the costs are expressly objected to by Viking and Grynberg, considered not to be

reasonable costs, and are made the subject of inquiry, or asked to be the subject of inquiry by the Commission.

MR. RAMEY: I would think, Mr. Gallegos, that that should be properly the subject of another case.

MR. GALLEGOS: It may well be, but we wanted to just call for that objection to be brought to the Commission's attention, and we're doing so.

MR. PEARCE: Excuse me, Mr. Gallegos, if I may for the record, would you request that the Commission at this time consider that objection an application for hearing on the reasonableness of those well costs?

MR. GALLEGOS: We would ask that the Commission hear that at this time, but if it doesn't wish to do so, that it consider that at another hearing.

MR. PEARCE: Okay. I would advise the Commission that I do not find in the advertising of either of the cases presently scheduled for hearing before this Commission notice to the public or any party presently appearing that the reasonableness of well costs is a proper subject matter, and therefor recommend that this objection be treated as an application for further hearing, either by the Division or one of its examiners, and would remind applicant that under the rules of procedure of the Oil Conservation Division, at least ten days prior to hearing of that matter a formal written

application should be submitted.

MR. HALL: If I might on that particular point, Mr. Pearce, request that the Viking Petroleum object with some specificity as to which costs are being objected to, rather than requiring the operator to come in and discuss each and every invoice that has been paid.

I would submit that that would be an inordinant amount of time and would be not a good use of time for either the Commission or the parties involved.

MR. GALLEGOS: Ordinarily, and I stress, ordinarily, there would be no reluctance on the part of my client to do so, but in this case there has been such a lack of cooperation and such a delay on the part of the operator in furnishing those well costs, and indeed, we are still lacking any specific information on those well costs, such that I think our position must be that we are going to call into inquiry all costs of this well.

Those costs now have exceeded a Million Dollars on a well which was projected to cost some Six Hundred Thousand Dollars, and as the matters stand now, and on the partial and incomplete information that we have as to those costs, we're going to have to take the position that we are calling into question in toto.

I hope before there's a hearing, that

that could be narrowed and resolved with some cooperation from HEYCO, so that not each and every item of cost does have to be a matter of scrutiny, but as it stands now, we're not in that position to narrow the issues.

MR. RAMEY: Well, I would certainly hope that the parties could get together at least most, if not all, of the well costs, so a hearing would not be necessary.

As Mr. Pearce pointed out, you know, well costs are not a subject of this hearing, and the Commission would welcome an application for determination of the proper well costs for the well.

So you may proceed with your witness, Mr. Hall.

MR. HALL: Thank you, sir. Call Mr. Deans.

A. J. DEANS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. HALL:

Q. Would you state your name, please, and where you reside?

A. A. J. Deans, in Roswell.

Q. By whom are you employed and in what capacity, Mr. Deans?

A. For Harvey E. Yates Company, Vice President in charge of operations.

Q. And as Vice President in charge of operations, what are your principal duties and responsibilities?

A. In charge of supervising the drilling and completion and producing, operating their production of wells.

Q. Would you please give the Commission a brief review of your experience in overseeing the drilling operations?

A. From the beginning?

Q. Give them a good idea, please, of your expertise in the area.

A. Oh, started in the petroleum industry in Ozona, Texas, for Malco Refineries, Robert O. Anderson Group; went from Malco to Humble Oil Refinery; worked for Humble for about five years; and then back with Malco Refineries in Artesia, New Mexico; worked for Malco, Hondo, and Atlantic Richfield, the Robert O. Anderson Group, for some twelve years; drilled up the Empire Abo and some of the Shugart Field, and some work over in Texas.

From there to Wyoming with Donald B. Anderson of Anderson Oil Company. We started the oil company from -- from scratch in Wyoming and also formed a drilling company in later years; worked for him for ten years in Wyoming, Colorado, Montana, Utah, Indiana, Michigan, New York, and in Mississippi.

Q. What were your -- what were your responsibilities and duties?

A. I was Vice President in charge of operation of Anderson Oil Company and Anderson Drilling Company.

From Anderson I moved back to Roswell. Well, I worked for Marvin Davis for about a year and a half, or Davis Oil Company, in southwestern Wyoming, organizing an exploration and producing company there, a division of Davis Oil.

Moved from there back to Roswell and went to work for Henson Oil for about a year and a half and then with Harvey E. Yates Company for the last year and a half.

MR. HALL: Mr. Examiner, I'd like to tender Mr. Deans as a qualified expert to testify on these matters of operation and drilling in this case.

MR. RAMEY: He seems to be so qualified, Mr. Hall.

Q. Mr. Deans,are you familiar with the Seymour

State Com No. 1 Well, located 660 from the west line, 1980 from the north line, in Section 18 of Township 9 South, Range 27 East, in Chaves County, New Mexico?

A. Yes.

Q. Were you in charge of Harvey E. Yates Company's operations on that well?

A. In supervision, yes.

Q. I'll refer you to what has been marked for identification as HEYCO's Exhibit Number One and ask if you'll identify that, please, sir.

A. It's the Daily Drilling Reports on the Seymour State Com No. 1.

Q. All right, sir. Referring to that, on what day did HEYCO begin operations on the Seymour State Com No. 1 Well?

A. In November of -- November the 23rd of 1981.

Q. Is there any particular reason operations were begun in early November?

A. The State lease, L-6775, had a December 1, 1981, expiration date. We started operations on the well before that lease expired.

Q. Okay.

MR. HALL: Mr. Chairman, I'd request that

the Commission take notes of certain key dates in connection with this hearing. One, that on November 24th, 1981, Case 7390 was heard, one day after the spudding of the Seymour State Com No. 1.

On January 7th, 1982, Order R-6873 was issued.

On January 27th, 1982, application for rehearing of that case was filed by Viking Petroleum, and on February 8th, 1982, Order R-6873 became final by reason of the Commission not setting it for rehearing.

Q. Mr. Deans, referring back to the Daily Drilling Report, on what day did HEYCO move the rotary rig onto the location?

A. February the 11th of 1982.

Q. Okay. Why did HEYCO wait until February the 11th, three days after Order 6873 was final to move the rotary rig onto the location?

A. We were waiting for the final order of R-6873, after the application of Grynberg, or Viking, had been submitted, and we waited till we had received word that the application hadn't -- that the hearing had been made final before moving the rotary on.

Q. Would you briefly describe the drilling operations that were conducted after the rotary was moved on?

A. Well, we rigged up Horizon Drilling Company of Roswell. Cleaned up the cable on February 11th, 1982. Cleaned up the rotary hole. Drilled surface, set 13-3/8ths surface pipe, cemented. Drilled intermediate hole and set and cemented 8-5/8ths intermediate casing. Drilled the well to TD of 6385. Ran five drill stem tests in the process of drilling, evaluating the shows, and logged the well. Ran 5-1/2 production casing and cemeneted it.

Q. How many days after the rotary rig was moved on did -- did you reach total depth on the well?

A. 73.

Q. Would you please describe the several completion attempts that were made on this well?

A. On March the 28th we moved in completion tools, drilled out our cement with DV tool, ran cement bond log, and started in the bottom of the wellbore to evaluate the well, or production.

We started in the Fusselman Mississippi formation and April the 4th, and worked on it through April the 28th with various sets of perforations, stumulations, squeezes, and restimulation.

Q. How many times did you reperforate that particular zone?

A. It was, I believe, three times, and we

moved from the Fusselman Mississippian to the Atoka, worked on the Atoka formation from 4-29, April of 29, to May the 23rd, in which time we had a completion in the Atoka formation and moved up to the Abo in May of -- May the 23rd, and completed it May the 28th.

From May the 28th to June 15th we worked on the dual completion system, with the dual strings, trying to -- to accomplish the segregation.

Q. All right. Let's go back and expand a little bit on the -- you said you ran five DST's on the way down. Would you give us some indication of where those were run and what the -- what the results showed?

A. DST No. 1 was from 1700 to 1800 feet, a hundred foot interval, where a recovery of drilling fluid and gas to surface in 45 minutes with fair pressures.

DST No. 2 was from 5885 to 6050, with strong blow of gas to the surface in five minutes. We had a measured estimated pressure of -- or volume of 5.5 MMCF.

Q. Which formation would that have been in?

A. That would have been in the Atoka.

DST No. 3 was from 6055 to 6140 in the Atoka, or Fusselman, Fusselman Mississippian; some discussion on what that formation is.

We had gas to surface on that with a 450

pound stabilized flow rate, a 1/2 inch choke.

DST No. 4 from 6158 to 6191; recovered 1395 feet of sulphur water with very little gas show, with good pressures.

Q. And that would have been in what?

A. That's the Fusselman or the Lower Mississippian.

And No. 5, in the top of the Granite and Lower Fusselman, was 6350 to 6385, with a weak blow and recovered 15 feet of drilling fluid.

Q. So that approximately a month that you spent at the bottom looking at the Fusselman was spanning these last two DST's, is that correct?

A. On the completion.

Q. On the completion.

A. We were trying to get the separation above water of gas or oil in the Fusselman Mississippi section.

Q. And were you successful?

A. No.

Q. I think you testified that you had a successful completion in the Atoka on May 23rd, is that correct?

A. That's correct.

Q. How many days after the rotary rig was

moved on was that completion?

A. 101 days.

Q. Then you testified that your second successful completion was in the Abo on May the 28th of 1982, is that correct?

A. That's correct.

Q. How many days following the beginning of drilling with the rotary rig was that completion?

A. 106 days.

Q. And what is the status of the well today, Mr. Deans?

A. It's shut-in waiting on dual completion approval and a contract, a sales contract.

Q. Was Exhibit Number One prepared by you or under your direction and supervision?

A. It was.

MR. HALL: I'd move the admission of HEYCO's Exhibit Number One.

MR. RAMEY: Exhibit One will be admitted.

MR. HALL: And I have no further questions.

MR. RAMEY: Any questions of Mr. Deans?

MR. GALLEGOS: Yes, sir.

MR. RAMEY: Mr. Gallegos.

CROSS EXAMINATION

BY MR. GALLEGOS:

Q. Your drilling report, Mr. Deans, that Day 1 of the drilling operation was December 1, 1981, does it not?

A. With a cable tool rig, yes.

Q. Explain what operations occurred on December 1, 1981.

A. Well, actually our drilling operations they spudded, started drilling a surface hole.

Q. On that date?

A. On that date, or probably the day before. These reports are 7:00 o'clock of the previous -- for the previous day. 24-hour period.

Q. Was this the commencement of the drilling of a well in satisfaction of the lease requirements with the State of New Mexico?

A. It was.

Q. Does your company regularly use Horizon Drilling Company as a driller in Chaves County?

A. It was our first contract with Horizon.

Q. Is Fred Pool an interest owner in this well? To your knowledge?

A. To my knowledge, I think he is.

Q. What is that interest?

A. I don't -- don't know.

Q. Can you explain to the Commission why you employed Horizon Drilling Company on this well, having had no prior experience with that driller?

A. They were available at this time and was recommended by Mr. Fred Pool, I believe.

Q. You had drilled and completed a well sometime earlier in adjoining Section 12, had you not?

A. Not that I know of.

Q. You don't know of your company's well which is located in the east half of Section 12 of the same Township and Range as the well which is the subject of this proceeding?

A. Repeat that again.

Q. Are you aware of a well completed and operated by your company in the east half of Section 12 of the same township and range as the subject well?

A. No.

Q. Have you had any experience with HEYCO in the drilling of a well in this Silman Lake Area, I believe it's referred to.

A. No.

Q. Has your company had any experience drilling in that area prior to the Seymour State No. 1?

A. In the Cato Area, yes.

Q. And where is that in relation to the -- 9 South, 27 East?

A. It would be northeast.

Q. What drilling company was used in the Cato Area?

A. I'm not -- I don't know.

Q. As Vice President of Operations, Mr. Deans, are you directly and on a firsthand basis involved in the drilling operations?

A. Usually, yes.

Q. Well, and when you are not, who is? You say --

A. Mr. Peck Hardy, my assistant.

Q. And what is his capacity?

A. He is my assistant, drilling and production.

Q. Does he supervise operations in the field?

A. Yes, and work -- he's in the office most of the time.

Q. Does your company have a drilling manager or drilling superintendent?

A. Well, that's me.

Q. That's you? When was the Horizon Drilling Company rig ordered?

A. I don't know. I don't have that information with me.

Q. Well, what is your recollection?

A. Some period of time before they moved on.

Q. That stands to reason.

A. Yes.

Q. What period of time?

A. I don't remember.

Q. Did you order it?

A. Yes.

Q. And when you order a rig, you document the making of such an order, do you not?

A. Sure.

Q. You neither brought that documentation with you nor referred to it in preparation for testifying here today?

A. No. I can tell you when it moved on.

Q. From your Daily Drilling Report --

A. Uh-huh.

Q. -- correct?

A. Uh-huh.

Q. Was the request or order for Horizon at

any time delayed or suspended, Mr. Deans?

A. Not that I remember.

Q. So the order for February 11th was established by HEYCO and that's when Horizon appeared and Horizon was never told to delay for any period of time? Is that the fact?

A. Not necessarily.

Q. Well, what are the facts?

A. At that period of time we were waiting for the approval of Order R-6873 to be final before we moved the rotary rig on.

Q. My question, sir, is did you order the rig from Horizon Drilling and then request Horizon to delay or change the -- change to a later date its moving onto the location?

A. I don't recall.

Q. As of January 7, 1982, you had an order from the Oil Conservation Commission designating you as operator and unitizing the -- pooling the mineral interest, did you not?

A. Correct.

Q. Okay. Did somebody in your company advise you to wait for this finality of the order that you described or was that a matter of your judgment?

A. No, they advised us.

Q. And who was that?

A. Mr. Hall.

Q. So he said do not go ahead with the drilling of the well.

A. That's correct.

Q. You have had prior experience, have you not, where you have drilled a well under a statutory pooling order of the Oil Conservation Division?

A. Yes.

Q. What has been your practice, sir, as to commencing the drilling of the well after the order has been issued as opposed to delaying the drilling of the well for an appeal period to run?

A. We enter it in our drilling schedule and proceed.

Q. So this -- this approach to this particular well was out of the ordinary, or not in -- not in correspondence with your usual practice, correct?

A. We were waiting -- correct, we were waiting for an objection, possible objection, to the order.

Q. Mr. Deans, have you used Horizon Drilling Company on any other wells since you employed them for the drilling of Seymour State No. 1?

A. No.

Q. Have you drilled any other wells --

A. No.

Q. -- since this one?

A. Oh, not in this area.

Q. Well, in southeast New Mexico?

A. Oh, yeah, several, but they're not capable to drilling that deep.

Q. "That deep" meaning what?

A. 14 to 15,000 feet.

Q. Do you know to what drilling depth they had experience?

A. No.

Q. Prior to Seymour State No. 1?

A. Oh, it was discussed but I don't remember what the maximum depth they can drill to.

Q. Had Horizon Drilling Company been routinely drilling Abo wells in the northern Chaves County vicinity?

A. Yes.

Q. And those are orginarily to a depth of what, 4000 to 4500 feet?

A. Yes.

Q. Let's take a look, if we may, Mr. Deans, at your drilling reports.

First of all, are the entries here something that is the product of some person other than yourself?

A. Yes.

Q. And who is that?

A. Our morning report girl takes morning reports and enters them on a daily drilling report.

Q. Who is her source of information as to what has happened out at the location?

A. The drilling foreman.

Q. And that drilling foreman in this case was an employee of Horizon Drilling --

A. No.

Q. -- is that correct?

A. We have two sources. We'll get one from a toolpusher or the drilling superintendent of Horizon, and then we'll get a report from our HEYCO company man.

Q. What is his title?

A. He's a drilling foreman.

Q. Who was your drilling foreman on this well?

A. Mickey Young. To the best of my knowledge; as best I remember it was Mickey.

Q. Are his duties such that he would be at the well at all times that activities were going on?

A. Just at key times of activity.

Q. So that he would be there, though, at least once in a 24-hour period?

A. Usually, yes.

Q. His responsibilities were such that he'd have other wells that he was also performing the same function on?

A. Right.

Q. So we understand from this drilling report, the sources of information would be a mix of the Horizon drilling superintendent and your drilling foreman, Mr. Young.

A. Right.

Q. Let's take a look at February 15, 1982, Day 4 of operation, Mr. Deans.

There's an entry there that cement did not curculate, if I read the abbreviations correct. Do I read that correctly?

A. That's correct.

Q. What happened?

A. There was a thief zone, evidently, and the cement didn't surface when we cemented the 8-5/8ths.

Q. And what was the significance of that occurrence to the progress on the drilling of the well?

A. We had to get cement back up to surface --

Q What was --

A -- before we could proceed.

Q What was done in order to do that and how long did it take?

A Well, you can see on the 16th they were one inching, pumping cement down one inch to get the cement to surface, and on the 17th they accomplished that.

Q Okay, Can you explain, Mr. Deans, how we get from February 16, 1982, being Day 5 of operation, to February 17, 1982, being Day 10 of operation?

A I hadn't noticed that. No.

Q Well, what was -- accurately what was the progress that -- or the state of progress by reason of the cement -- cement not circulating.

Maybe I should word the question, what was the effect on drilling progress?

A We stop till we get the cement to surface.

Q And how many days of operations actually were lost?

A Looks like two days, from the 16th and 17th.

Q Then did you get back on what you might say was a normal progress on the drilling of this well?

A Yes.

Q Okay, and as you worked through February, let's say through the end of February, was the progress for the drilling of this well satisfactory?

A Reasonably, yes.

Q Did you consider it going a bit slow compared to wells of a similar nature in the areas that you'd had experience with?

A If there is a normal, it was probably normal.

Q Did you see the Horison drilling rig in operation?

A Yes.

Q Had you any prior experience with that rig? I don't mean firsthand but just by reason of being in this business in Chaves County.

A Just conversationally with Mr. Fred Pool.

Q Who was the one that recommended it be used, correct?

Did Mr. -- you'll have to answer audibly because the reporter --

A Oh, I'm sorry, yes.

Q Did Mr. Pool advise you he wanted the Horizon rig used because Horizon owed him money on the pur-

chase of the rig and that was the way for it to pay the money?

A. No, didn't know that.

Q. Okay, he just said, sure like for you to use Horizon Drilling.

A. Didn't even say that. I asked him, since I found out that the rig had been purchased from Mr. Pool, I had asked him what type of operation it was, and it was favorable.

Q. Is it a correct interpretation of your report that on February 28, 1982, which is listed as Day 21 of operations, you had reached a depth with that well that placed you below the Abo formation?

A. Well, I'd have to know where the base of the Abo formation is and I don't have that information with me, I don't think.

Well, maybe I do.

Q. Well, let's take -- since this one is marked as an exhibit, I see that you have before you the same document, but I'm handing you Viking-Grynberg Exhibit Number Four and ask you if you can identify that?

A. It's a well history summary sheet.

Q. Was that prepared by Harvey E. Yates Company?

A. Yes.

Q And is the information contained on it accurate, according to the records kept by your company?

A To the best of my knowledge.

Q Okay, and doesn't that show that production was obtained from the Abo between 4912 feet and 4929 feet?

A Yes.

Q Okay. So you had this well drilled on February 28, 1982, to a point that would have made you a well subject to completion, of course, from the Abo formation? Correct?

A That's correct.

Q And when we say Day 21 on this drilling report, or when we see Day 21 on this drilling report, we should understand that actually would have only been Day, I guess, Day 17, would it not?

A Probably.

Q Because of the mistake that we found back in the middle of February?

A A five-day mistake.

Q Yes, sir, five day or four day mistake.

A I see, four days.

Q Four-day mistake. Right, okay.

A On the day numbering.

Q Yes, sir. And wouldn't you agree, Mr.

Deans, that the drilling of an Abo well in Chaves County vicinity is typically a fifteen, sixteen, or seventeen day proposition?

A. I'm not that well -- that familiar with operations other than what we hear at the coffeeshop.

Q. Does that mean that you don't typically drill wells of that nature?

A. We haven't had a lot of activity in the Abo area, yes.

Q. So you have had a lot of experience in that area.

A. No, we haven't had.

Q. I'm sorry, I misunderstood you.

A. Have not had. There's -- it's hearsay in problems in drilling in the area. I don't know it from personally.

Q. Let's take a look, then, when we get down to March, 1982.

Now as you are getting to the depths that are shown in early March of 5900 and 6000 feet, what was your objective in making the hole to that depth?

A. We were drilling to the Fusselman to test the Granite and zones above, a total test of the total well.

Q. You didn't -- you didn't mean to test the

Granite, did you?

A. See if there was some Granite Wash, yes.

Q. On March 5, 1982, the progress was only 75 feet. Can you explain why?

A. Looks like they made a bit trip; drilled for 13-3/4 hours; serviced rig; circulated for a half hour; had to wash the bottom for a half hour; cut the drilling line and changed oil on the rig for 2-1/2 hours.

They drilled 13-3/4 hours.

Q. And where it says "trips 6-1/2 hours --

A. Uh-huh.

Q. -- that means a drill trip?

A. They made a bit trip, yes, sir.

Q. Bit trip.

A. Uh-huh.

Q. Let's take a look at March the 7th, where the progress is only 32 feet and there were 6-1/4 hours spent circulating.

Can you explain what was happening with the drilling operation at that time?

A. What date, please?

Q. Well, it begins at the bottom of the page we've been looking at, March 7th, 1982, and then the report continues over to the next page.

A. Looks like they're circulating and preparing the hole for a drill stem test and starting a drill stem test.

Q. The following day, March 8, 1982, no progress and circulating 17 hours.

Can you explain what was happening?

A. From this I can't. I can only guess that we were having troubles getting the drill stem test accomplished.

Q. And what about the report would indicate that to you?

A. Circulating 17 hours.

Q. And what does that mean is actually going on when it says circulating 17 hours?

A. They were circulating their drilling mud and getting it in shape and getting the hole in shape to withstand a DST, a drill stem test.

Q. And now on March 9, 1982, progress of 90 feet, only 6-1/2 hours of drilling and 6-1/2 circulating.

What was happening to the drilling operation in that well?

A. Preparing for another drill stem test; completing one and starting another one.

Q. What formations were being tested?

A. This is possibly the Atoka.

Q. Were you -- do you recall that at this time, Mr. Deans, you personally were giving some attention to what was happening with this well?

A. Yes.

Q. Were you ordering the drill stem tests or who makes the determination that they'll be done?

A. The geologic department.

Q. The HEYCO geologic department.

A. Uh-huh. From samples and drilling breaks and shows.

Q. By March 10th, at a depth of 6140 feet, there was zero progress and an entry about a trip of 11-3/4 hours, and then "tool and RIH 6-1/4 hours."

Could you interpret that for us, please?

A. Looks like DST No. 3 -- huh-uh, drill stem test No. 4.

It was the completion of DST No. 3, or is that -- let me read it.

DST No. 3, it looks like didn't get below 5960 and they had to lay down the test tool and condition the hole in order to run drill stem test No. 3.

Q. And that was the activity that's described on March the 10th?

A. Right.

Q. Okay, so drill stem test No. 3 on that first attempt was not successful. It got stopped at 5960?

A. It appears that, yes.

Q. And that was still an effort to try and test some Atoka strata?

A. Yes.

Q. As you obtained drill stem tests, Mr. Deans, what information did it give you?

A. It gives you pressures and recovery out of the reservoir.

Q. Natural strata or formation pressure?

A. Natural conditions, yes.

Q. What were you finding out about this well, in particular the pressures of the potential production from the Abo formation as compared to the Atoka formation?

A. Atoka looks like it would be a good well.

Q. Well, what pressures were you encountering and your tests telling you you probably had?

A. On drill stem test No. 2, initial shut-in pressure was 2246 psi, two thousand two hundred and forty-six pounds per square inch; flowing pressure was 1704 pounds per square inch; final shut-in was 2443 psi.

Q. Can you point out in the drilling report

where we can compare that to drill stem tests on the Abo formation?

A. We didn't drill stem test the Abo formation.

Q. All right, what happens to the efforts to make drill stem test No. 3?

A. Had gas to surface in four minutes; initial --

Q. Well, I meant when did you finally get that accomplished? Can you tell us with the help of this report?

A. On the 11th, March the 11th.

Q. At a depth of 6140?

A. 6055 to 6140, yes.

Q. And meanwhile, of course, there was no progress from the drilling of the well.

A. No.

Q. Correct?

A. Correct.

Q. By March 12th, then, was this well still undergoing testing or were you making progress on the drilling, or what was happening?

A. Looks like we made 51 feet and were preparing to drill stem test again.

Q. Okay, well, another Atoka formation?

A. Either Atoka, Mississippi, or Fusselman.

Q. Okay, and in the report we see the results of that test as far as the pressures and other factors?

A. Yes.

Q. Why was there no drilling progress on March 13, 1982?

A. We were completing the drill stem test No. 4.

Q. What were you testing?

A. I'd have to look it up. The interval 6155 to 6191, it's either -- that should be the Mississippi or Fusselman, Lower Mississippi or Fusselman.

Q. What did that test indicate?

A. Recovery of 1395 feet of sulphur water with very little gas.

Q. Is this the same formation that you said later on the completion activity you spent 30 days attempting to accomplish a completion on?

A. No. This is -- we were just above this.

Q. This would obviously be not a producing strata, the one that was being tested on drill stem test No. 4?

A. The test gives you good pressures. There's

a reservoir there, or indications of a reservoir.

The interval that was tested was 6155 to 6191 and there is fairly good pressures to indicate that there's a possibility of a reservoir; that's possible that in the top part of it that there could be hydrocarbons, recoverable hydrocarbons.

But we did recover sulphur water in it.

Q. Is it a correct reading of this that as of March 16th you had taken the hole down to where you'd encountered granite?

A. Yes.

Q. And that was the ultimate depth?

A. Yes.

Q. Did you get a drill stem test at that point?

A. Yes, sir.

Q. And what was the objective, what producing formation was --

A. It would be the --

Q. -- involved in that test?

A. Granite Wash, and I've have to confer with the geologic department to know what else was included in this interval from 6350 to 6385.

Q. Is the Granite Wash a known producing

formation in this area of Chaves County,

A. Not that I know of.

Q. If we turn over to the next page of your report, we come to, as I understand your testimony, March 28, 1982, where you say the drilling of the well had reached a conclusion, correct?

A. On what date?

Q. March 28th, 1982.

A. Well, we actually released the rig on March the 19th.

Q. March the 19th or March the 21st?

A. On the March -- on the date, March the 20th, rig was released at 2:00 p.m. on March the 19th, '82, then they had to tear the rig down and move --

Q. Okay.

A. -- it off, so actually it didn't get off location till March the 21st.

Q. Okay, so rig down and moved off on March the 21st.

A. Right.

Q. At that point this well was not completed, was it, Mr. Deans?

A. No.

Q. All right. Now, who supplied the comple-

tion rig? What company?

A. Chase Well Service. Mac Chase, Incorporated, probably.

Q. Okay. Is that a company with which HEYCO routinely does business for the completion of wells?

A. Yes.

Q. That completion rig started activities on March 30, 1982, start operation, is that correct?

A. Started on the 28th moving in and rigging up, yes.

Q. Okay. Now, as I understand it, and without trying to go into too much detail about it, there were various completion attempts that were made, beginning at the bottom of the hole and moving upward, correct?

A. Correct.

Q. And first of all, a completion attempt was made in the Mississippian formation that you identified as the Fusselman?

A. Mississippi Fusselman, whatever the geologists call it.

Q. Where is that in relation to the Pennsylvanian formation?

A. I wouldn't know.

Q. Are you familiar with the Ordivician strata

or formation occurring in that region?

A. I'm not, no.

Q. Was that encountered in the drilling of this hole?

A. I don't know.

Q. Were you given any direction by counsel or anybody in the company that the well was to test down through the base of the Ordivician formation in the Seymour State No. 1?

A. The drilling prognosis is prepared by the geologic department and we prepare the drilling contract and try to achieve that objective.

Q. Well, what was the objective here?

A. I don't have the information with me.

Q. Well --

A. To drill to Granite.

Q. Okay, I think that's what was said previously.

A. All right.

Q. Whatever depth that may have been encountered, 8000 --

A. Right.

Q. 10,000, whatever.

A. Not necessarily. They have a pretty good

hold -- prognosis on it.

Q. In any event, let's talk about the first strata so it's clear for us that you attempted to make a completion in, and this would be what we identified before, the Fusselman formation, which is a Mississippian rock, correct?

A. I assume.

Q. What do you mean you assume?

A. I understand it's quite an argument.

Q. All right, you assume the geology of that.

A. Yes.

Q. At about what depth was that, Mr. Deans?

A. Well, our first perforations were at 6075 to 79.

Q. 6075 to 6079?

A. Yes.

Q. And did you have some drill stem tests that gave you some factors or some information on that strata?

A. We had a recommendation from our geologic department, based on the mud logs, drilling information, and open hole logs to attempt a completion in this zone.

Q. And you were perforating four feet of strata, correct?

A. Yes.

Q. Now did I hear you right in say -- to say

that you spent thirty days on trying to complete this and perforated three times?

A. Three or four times.

Q. And it took -- and you spent thirty days with a completion rig, working on that formation?

A. From April the 4th to April the 28th, we perforated, we stimulated, squeezed, perforated, stimulated, restimulated, yes, we were attempting to find -- get hydrocarbons out of the Mississippi or Fusselman, whatever you want to call it.

Q. Actually March the 28th to April 28th would have been devoted to that formation, wouldn't it?

A. We had to drill out the cement and a DV tool regardless of what we did.

Q. Okay. All right. So you got down to about the fourth when you'd say the operations were focused on this Mississippian formation.

A. That's correct.

Q. Okay, and you spent from the 4th of April to the 28th of April on that.

A. Yes.

Q. So there are 24 days then instead of 30. Would that be accurate?

Is that true, sir?

A. 24 days, it appears, yes.

Q. Okay. Now what did your company have to go on by way of intelligence about other producing wells in the vicinity or information of that nature as to the economics of producing the Fusselman formation?

A. I really don't know where they're located, but there are some wells near Railroad Mountain, not too far from us, that are producing from this formation, or I understand they are.

Q. How far away is Railroad Mountain?

A. I couldn't tell you.

Q. How many miles, roughly?

A. I don't know.

Q. Did you know of any of the wells in the Silman Lake area that were producing from that formation?

Q. I'm not for sure. I think there's one right near us.

MR. HALL: Mr. Examiner, I'd submit that these are not proper questions for Mr. Deans to answer. He's not a geologist.

MR. GALLEGOS: Well, he's been offered as to the reasonableness and the prudence of the drilling activities on this well, and to a large extent he's relied on what other people have told him and that's what we're exploring.

MR. HALL: But I'd submit he makes his test based on recommendations from the geological staff, not independently based on his knowledge of the geology.

MR. RAMEY: Okay, are you going to have a geologist testify?

MR. HALL: No, sir.

MR. RAMEY: All right, Mr. Deans, go ahead and answer the questions to the best of your ability.

A. Best of my ability?

MR. RAMEY: That's all you can do.

Q. Okay, do you remember the question? It was concerning --

A. No, tell me again.

Q. It was concerning the occurrence of production in this region from other wells from this formation that you were attempting to make a completion in.

A. I think there's one in the immediate area that's producing from this.

Q. Okay, what well is that?

A. I don't know.

Q. Do you know anything about the economics of that production, the quantity of it?

A. No.

Q. Is this a tight sands formation?

A. No.

Q. Classified as such?

A. I don't think so.

Q. As Vice President of Operations, Mr. Deans, I'm sure you not only follow the progress of the drilling of the well in terms of what's occurring from a mechanical standpoint, but also from a business standpoint, do you not?

A. Yes.

Q. Well, as of the period of April 4, 1982, through April 28, 1982, where did you stand on the expenditures that your company had made for the drilling of that well and attempted completion?

A. I don't have that information with me.

Q. Before you commence the drilling of a well you project those costs and reflect those by what's commonly known in the industry as an AFE, correct?

A. Correct.

Q. And do you not then follow that by some sort of a charting or some method so you can see if you're in line with what your company budgeted to spend on the well?

A. You attempt to, yes.

Q. So that's basically what I'm asking you, without expecting you to have the figures right down to the cent, but in this period of time where did you stand in rela-

tion to actual expenditures versus budgeted expenditures?

A. I couldn't tell you.

Q. Well, you were sure over the budgeted expenditures. That you can tell us, can you not?

A. No.

Q. You can't tell us one way or the other?

A. No.

Q. What was the final result of HEYCO's efforts to accomplish a completion in the Fusselman formation?

A. We were unable to produce water-free, so we abandoned the attempt.

Q. And when that area was abandoned, did it require any mechanical devices or equipment to be placed in the hole, or will it for the production?

A. Yes.

Q. What?

A. It has to be isolated with a cast iron bridge plug, cement, or a cement retainer with cement.

Q. And has that been done?

A. Yes.

Q. When was that done?

MR. RAMEY: Would that be on April 28th?

A. Yes, April the 28th.

Q. What was the next activity that occurred

in the completion efforts on the Seymour State No. 1?

A We started completing the Atoka, first. Started with 6043 to 48.

Q Okay, started moving up the hole to the Atoka formation?

A Yes.

Q And you told us that that occupied the completion rig for the period of April 29 through May 23, is that correct?

A Yes, that's correct.

Q And just describe basically the progress of that operation and what occurred.

A We tested five individual, possible producing sections in the Atoka.

Q Tested six, or five?

A Five.

Q Okay, what did your tests show you as to the probable quantity and pressure of production?

A On May the 23rd we estimated flow test a million and three-quarters cubic feet of gas.

Q Okay, well, I don't understand. That is from the -- from all of the Atoka strata combined?

A That's from the bottom three sets of perfs in the Atoka.

Q. Bottom three sets of perforations.

A. Yes.

Q. Have you performed further testing on that production, Mr. Deans?

A. No. Well, after dual -- after it was dual completed it was --

Q. Yeah, that's what I'm asking about.

A. Okay, let's see. We were producing each side, the Atoka and the Abo, separately to see if any interference, and establishing rates, and I don't see it right here.

Q. When were you doing that?

A. On June the 9th, 10th, and 11th.

Q. You were producing separately the Abo from the Atoka on those dates?

A. And the Atoka separately from the Abo, yes.

Q. Yeah.

A. But I don't see the rates.

Q. Okay, well, we'll get back to that.

Still asking about the completion activities of the Atoka, on the -- the perforations on these bottom three Atoka formations, were there any perforations or completion efforts that were not successful and were abandoned?

A. On those three?

Q. In the Atoka.

A. No. I don't understand your question.

Q. Well, in the -- let's -- maybe I can put it this way.

In the period of the 29th of April to May 23rd, where you said you were focusing the completion efforts on Atoka strata, were any of the completion efforts unsuccessful?

A. The two upper perfs, sets of perfs, didn't produce.

Q. Okay. So you perforated at five levels on the Atoka and only three of those, the lower three, were producing?

A. Wound up producing, yes.

Q. What does wound up producing mean?

A. Well, we were -- we were attempting to get our drill stem test gas rate, and we started in the bottom and started working up.

Q. Okay.

A. We got to the very top, we still didn't have our drill stem test producing rate, so we dropped back down to frac the lower set at 6043 to 48, and we had communication to 6026 to 28, so we moved the packer up between --

above that set of perfs and had communication to 6008 to 16; set the packer above it, started pumping, no communication, pumped on the back side and could pressure up and hold it and that's when we fraced it.

When we fraced it we found our drill stem test producing rate, or part of it.

Q. And it matched up or correlated your drill stem test rates?

A. Not completely, no.

Q. And what you were then getting a reading on was the three --

A. Bottom.

Q. -- bottom Atoka horizons, correct?

A. Correct.

Q. But in this same period that goes up to May the 23rd, do we understand that you had been attempting completions on all of the Atoka formations, progressively working up-hole?

A. Correct.

Q. Why or what are the facts as to the higher Atoka horizons above the three that you just described?

A. The perforations from 5926 to 5952?

Q. Yes, sir.

A. They didn't produce.

Q. They're nonproducing?

A. They're too tight, yes.

Q. Do we find in your report tests on that?

A. Yes.

Q. That will indicate them? Could you point that out, please?

A. I ought to find it somewhere.

5944 to 52.

MR. NOKES: Around 5-12-82.

A. Okay, this is the tailend of it. We started back around May the 6th, but here on May the 12th we ran a tracer survey to see what perfs were taking what, and that's when we found that the 6043 to 6048 were our possible producing perfs and the upper perfs weren't capable of producing.

Q. And does that mean not capable even with fracturing?

A. No way to know.

Q. But you did frac the lower perforations?

A. Yes. We were attempting to frac just the lower set. We were trying to perforate -- frac 6043 to 48.

Q. And what happened?

A. But because of communication we fraced all

three together.

Q. Okay, accidentally, not intending to do it that way.

A. Well, we had to do it that way.

Q. Okay. What attempt was made, if any, to frac the perforations from 5926 to 5952?

A. None.

Q. Why not?

A. We don't -- we feel it's not commercial, wouldn't produce, not capable of producing.

Q. So are those perforations closed off?

A. No.

Q. So there won't be any escape from them?

A. No.

Q. Is that producing then under natural pressure from those perforations and the two higher Atoka perforations?

A. I think you can see on a test that those wells weren't -- those perfs weren't capable of producing.

Q. Okay, point that out to us if it's in your papers.

A. I believe that we'll have to determine that from the frac job on the lower perfs and the -- no entry from -- from the upper perfs after the frac job on the back

side.

Q. I'm not -- I'm sorry, you said we'll have to determine that. You mean it's not determined yet?

A. Yeah, it was determined. Okay, let me find it here.

On the 5th and the 14th -- no.

MR. NOKES: That is not in the record. Those calculations have been done since.

A. Yeah. It's not in the daily drilling report.

When we fraced the lower perfs we had pressure on the back side on our tubing, which put that -- which subjected those two sets of upper perfs with pressure, and it all set there stabilized while we fraced the lower perfs.

Then afterwards, when we flow tested the lower three sets of perfs together, we monitored the upper set with no production.

Q. Between May 23 and May 28 you moved on up the hole, then, and successfully completed in the Abo formation, correct?

A. Correct.

Q. Okay. Is the Atoka formation classified as a tight sands formation?

A. I don't think so, no.

Q. Is the Abo formation classified as a tight sands formation?

A. Yes.

Q. Just an item or two more. In early June following the Abo completion, there's some entries here that to my reading seem to indicate some difficulties in attempts to sting the packer or -- would you describe what was occurring? In that period of time?

A. We were attempting to set and isolate the annular space from the Abo perfs, from the Abo packer up we were trying to isolate with a dual completion packer.

Q. Now is there an Abo packer in this well?

A. Yes.

Q. As opposed to the packer that's set above the three lower Atoka perforations, or is it the same.

A. Yes, sir, there's a dual -- Baker Dual Snap Set 45B Packer at 4800 feet. Right there.

Q. Okay.

A. Uh-huh. That's the packer we were trying to sting the short string into to set that packer to isolate the annular space.

Q. Which would be the one that the Abo would produce through, is that right?

A. The Abo will produce through the short

string of 2-1/16th.

Q. All right.

A. And the Atoka will produce through the long string, 2-1/16th.

Q. And so what was the difficulty that occurred?

A. We could never -- we couldn't get a complete seal with the short string and we -- there's still not a complete seal with the short string. You can in the 2-1/16th, I believe, and it will pressure up.

I'd better not say that. I don't remember which way that is. One way you can pump into it and the other way you can't, and it's a chevron type seal, so it means that one set of the seals are holding but the other set aren't, but we feel that it won't affect the capability of the well to produce.

Q. Well, were -- were there some further steps to be taken because of that difficulty, in your view; would you normally remedy that?

A. That would be the reason, one of the reasons for our hearing to make application administratively to dual complete, but with that packer being able to -- unable to isolate the annulus, we possibly will be in a hearing.

Q. Well, in short what you're saying, if I

understand you correctly, is that -- is that the completion on this well remains to be finished. You still have these steps to take.

A. Not if they're approved. It's ready to prcduce.

Q. Okay. But in producing it will then involve the commingling of those productions because of the situation you've described?

A. No. These perfs will come up the long string of 2-1/16th and the Abo perfs will come up the short string 2-1/16th.

We'll also have possibly pressure from the Abo on the 5-1/2, on the annulus.

Q. This well is not presently producing, correct?

A. No.

Q. Is a pipeline connection available subject to the dual completion application that's pending here?

A. There hasn't -- there just lately has been a contract submitted.

Q. By a purchaser?

A. Yes.

Q. With the status of the well as it is and the information you have from your various tests, Mr. Deans,

what are your projections as to what would be the daily rate of production from the Atoka and daily rate of production from the Abo?

A. I don't think we can determine it till we see the producing conditions and market allowed from a purchaser.

Q. Well, by producing conditions, what do you mean?

A. Line pressure.

Q. Subject -- subject to an assumption that the line pressures will be at a level that will allow this -- this well to produce at its normal -- at its natural pressures, what would you project production to be?

A. I don't think you -- I don't believe we can estimate a normal line pressure. There is not going to be one if our purchaser compresses; to what extent will he pull the line pressure down will make a lot of difference in the capabilities of the well.

Q. Well, who is your expectant purchaser?

A. We hope it's Transwestern.

Q. And what is Transwestern's line pressure ordinarily been in this vicinity? You've had experience with that, I know.

A. 650 pounds to 20 pounds.

Q Most of the wells that you're producing are being allowed to produce against 100 to 150 pounds, aren't they?

A No.

MR. GALLEGOS: That's all the questions that I have, thank you.

MR. RAMEY: Any other questions of Mr. Deans?

MR. HALL: I have several on redirect, if I may.

MR. RAMEY: Let's take a little recess first.

(Thereupon a recess was taken.)

MR. RAMEY: All right, Mr. Hall.

REDIRECT EXAMINATION

BY MR. HALL:

Q Mr. Deans, referring back to the time interval between the time HEYCO moved the rotary on -- excuse me, the cable tool off and February 11th, when we moved the rotary on, Mr. Gallegos focused on the fact that the Order

6873 was final on January the 7th, and questioned the time period between the 7th of January and the 11th of February, why HEYCO waited to move the rig on.

Would you be able to expand on that a little bit, please, the reason for the delay?

A. I was informed that Mr. Grynberg was disputing the order and filing an objection, so we waited that period of time to give him his twenty days leeway to file the objection and to see what the Commission final order would be.

Q. Is it normal for -- in your experience, to have a compulsory pooling order appealed?

A. No.

Q. Had Harvey E. Yates Company been told directly that this order would be appealed?

A. That's what I understand.

Q. Okay. Referring now to questions on the five DST's that were run and the time period that it took to complete those, do you consider that a DST is progress in drilling the well?

A. Yes.

Q. Do you consider it necessary to run DST's to successfully complete a well?

A. It's an aid in evaluating the well, yes.

Q. Okay. Referring to the -- now to the --

when we moved the completion unit on and made the first perforations that were discussed, on April the 4th of '82, down at from 6075 to 6079, those were the first perfs I think you testified to, and the other five perforations that were performed during that 24-day period, were those not within the area tested by the DST No. 3?

A. Yes, that's what we were attempting to find, was a gas volume that we recovered on drill stem test No. 3.

Q. All right, what were the results of DST No. 3, which prompted you to make these extensive tests?

A. The test interval was from 6055 to 6140 and we recovered gas to surface in four minutes, stabilized flow rate at 450 pounds.

It's not in the report but I know that, from the Halliburton report, it was 1/2 inch choke, which calculates out 2.8 million a day that we were trying to find from 6055 down for thirty days.

Q. All right.

A. Or right at thirty days.

Q. And in your opinion did the results of this DST test justify the time you spent trying to find this particular reservoir?

A. Yes.

Q. Referring you now to the -- the DST No. 2, which was from intervals of 5885 to 6055, is that correct?

A. That's correct.

Q. All right, what were the results of this DST?

A. That was gas to surface in five minutes, and a flowing rate of 5.5 million cubic feet per day.

Q. All right.

A. Out of the Atoka section.

Q. And, again, did this, in your opinion, justify the time and expense that was invested trying to locate the Atoka?

A. It did.

Q. And you were successful, at least partially, in discovering that reservoir, were you not?

A. We were.

Q. I hand you now copies of what have been identified as Applicant's Exhibits Two-A and Two-B, and ask if you would identify those, please, sir.

A. It's C -- New Mexico Oil Conservation Division Form C-105, a Well Completion Report, for the Seymour State Com No. 1.

Q. All right, and Exhibit Two-A covers what interval, Mr. Deans?

A. Exhibit Two-A, let me find it. Okay, Two-A is the Atoka and Two-B is the Abo.

Q. All right. What -- there were questions as to the estimated production from each of these two completions. Would you indicate what, from the Exhibits Two-A and Two-B, what the estimated production from each of the two intervals would be?

A. The Two-A, the Atoka, was 1,722,000. The gas test from the -- on the Two-B report from the Abo is 1,646,000.

Q. All right, sir. Were Exhibits Two-A and Two-B prepared under your supervision, control, or in the ordinary course of business by Harvey E. Yates Company?

A. By my assistant, Peck Hardee.

MR. HALL: I move the admission of HEYCO's Exhibit Two-A and Two-B, along with Number One, if I haven't done that.

MR. RAMEY: Number One, you've already admitted.

Exhibits Two-A and Two-B will be admitted.

MR. HALL: I have no further questions.

MR. RAMEY: Any other questions of Mr. Deans?

MR. GALLEGOS: A few.

RECROSS EXAMINATION

BY MR. GALLEGOS:

Q. This matter of the interval between the Commission Order R-6873, issued on January 7, 1982, and the rotary rig moving on February 11, 1982, Mr. Deans, with your attention on that, was there any stay or suspension or any other proceeding that in any way modified the effectiveness of the January 7, 1982, order?

A. You mean the threat by Mr. Grynberg to file suite on us --

Q. No.

A. -- and stop us?

Q. I mean -- let's start, there was an order entered by this Commission, January 7, 1982, designating you as the operator and pooling the mineral interest for a well described in the order, correct?

A. Correct.

Q. There was nothing that suspended or in any way modified the effectiveness of that order after that date, was there?

A. I think the order has a 20-day appeal period, or I understand that.

Q. Do you know anything other than the fact that it was in full force and effect from the date of issuance on January 7, 1982?

A. No.

Q. So just as a voluntary judgment of HEYCO, the company did not proceed under the order with the rotary rig until February 11th.

A. That's correct.

Q. As a matter of fact, your own drilling report will show that in that interval of time the cable tool was going ahead with the hole out on the Seymour State No. 1 location, was it not?

A. Yes.

Q. I would just like to -- oh, well, let me ask one other question in this regard.

Since you opted not to put the rotary rig on until February 11 of this year, did you foresee that that would result in the well not being completed within 120 days from January 7, 1982?

A. No.

Q. You still thought you'd have the well done within that time, did you not?

A. Yes.

Q. And you made no effort to seek an extension

of the 120-day period until sometime in June of this year, isn't that true?

A. I believe that's correct, we filed an extension.

Q. After, in fact, the completion rig had been moved off of the hole, isn't that true?

A. I don't know about that. We'd have to check the dates.

Q. Well, let me just ask the -- we already have the date from your drilling report on the completion rig --

A. Uh-huh.

Q. -- move-off. Let me just ask the Commission to take notice of its own file in this case as relates to a letter of June 24, 1982, from Mr. Hall to Mr. Ramey, which asks that the Order R-6873 be not rescinded, though HEYCO did not complete the well within 120 days.

MR. RAMEY: Okay.

Q. For clarification, sir, if I understand your redirect testimony, you point to drill stem test No. 3 as the justification for the attempts at completion in the Mississippian formation.

A. Yes.

Q. And are these the results that are shown

on the page of the drilling report that begins as its first full day, March 8, 1982, Day 29?

Is that where we find drill stem test No. 3 reflected?

A. On March the 12th?

Q. Well, I'm trying to get to the right place in your report. Yes, March the 12th refers to it, but is that the page -- March the 8th is the first full day of -- up at the top there?

A. All right.

Q. Okay, and that's where your DST No. 3 is reflected, in the lower part of that page?

A. Yes, on -- on March the 12th.

Q. All right. Now, as a separate question, Mr. Deans, from the one of whether or not DST No. 3 justified an attempt to complete in the Mississippian, what facts can you point to for a justification of spending some thirty days on that effort at completion?

A. 2.6 million a day.

Q. In other words, those -- the drill stem test results?

A. Uh-huh.

Q. And with that result you would spend the time and money trying to complete in that area?

A. Yes.

Q. Mr. Deans, with your attention to your company's Exhibits Two-A and Two-B, they're shown as corrected reports. Can you tell us how they differ from the original reports that were submitted?

A. No, sir.

Q. They're dated August 10, 1982. Is that the date that these production tests were made on the Abo flow and on the Atoka flow?

A. On August the 11th is the Abo test. See the date of the test?

Q. Well, the reports are dated August 10. No, the date of the test, that's August -- it has to be before August 10th, doesn't it? That must not be --

A. That has to be May 23, May the 23rd. Our copies you can't read the first date.

MR. NOKES: The date on that test is 5-23-82.

A. Okay.

MR. NOKES: And the reason for that correction was an incorrect --

Q. Well, just not now. We have somebody testifying.

The Atoka test was May 23rd, '82, and the

Abo test was June 11, '82.

A. Right.

Q. Okay. Did your company make some request other than the one that is pending here for approval of production of this well in light of the circumstances you described in your direct testimony of the failure of the seal at the packer above the Abo?

A. We made -- made an administrative -- we applied for administrative approval.

Q. At the District --

A. At the District level.

Q. And what was the fate of that application?

A. According to New Mexico Commission rules, he was unable to give that administrative approval and we were -- is when we filed for a hearing.

Q. And just so we understand the condition of the well as it sets now, or at least I -- my understanding, the Commission is probably already clear on it, but with the condition where the short string meets that upper packer as it is, there will be gas going into the casing, I guess that's the right term for it.

A. Annulus casing, right.

Q. Okay. And how is that going to be produced?

A. It will not be.

Q. It will just remain in the casing from --

A. Pressured up, yes.

Q. -- the surface to the producing formation unless some remedial steps are taken, correct?

A. Uh-huh, yes.

MR. GALLEGOS: Okay, that's -- completes my recross.

MR. RAMEY: Any other questions of Mr. Deans?

MR. HALL: Nothing further.

MR. RAMEY: You may be excused, Mr. Deans. Call your next witness, Mr. Hall.

MR. HALL: I have no further witnesses.

MR. RAMEY: Mr. Gallegos?

MR. GALLEGOS: Yes, I'd like to call Jim McWilliams.

JIM McWILLIAMS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. GALLEGOS:

Q. State your name, please.

A. Jim McWilliams.

Q. Where do you live, Mr. McWilliams?

A. In Granbury, Texas.

Q. Where are you employed, or by whom are you employed?

A. I'm employed by Jack Grynberg in Denver.

Q. And what is your position?

A. Drilling and Production Superintendent.

Q. Mr. McWilliams, would you review quickly for the Commission your formal education and your experience in the oil and gas industry prior to employment by Grynberg and Associates?

A. I received a degree in petroleum geology from the University of Oklahoma in 1948; went to work for Cities Service Oil Company as a staff geologist; worked for them until 1950; went into consulting for independents and other -- and larger companies, and was involved in that over the MidContinent and part of the Rocky Mountain area for twenty years, until 1970.

Went to North Africa for a short time; came back; and went to work for Mr. Grynberg in February of '73.

Q. And what are your duties and responsibilities as drilling and production superintendent for Mr. Grynberg?

A. Well, overseeing drilling and completions and, in general, field operations.

Q. Have those duties and responsibilities required you to perform your services in connection with drilling activities in northern Chaves County, New Mexico?

A. Yes. We've been involved in drilling 18 or 20 wells up there, completing and producing, and that's been our main activity for the past year.

Q. And are you still so engaged?

A. Yes.

Q. And have you been directly involved in the drilling of those wells and the decisions to be made concerning completion, abandonment, or whatever disposition is to be made of the wells?

A. Basically in this operation up here I've been more involved in completion work; however, I do work with our geologists on the recommendations for completion.

MR. GALLEGOS: We tender Mr. McWilliams as an expert.

MR. RAMEY: He is so qualified.

Q. Mr. McWilliams, I'm going to hand you a

copy of Applicant's Exhibit Number One, that was previously introduced in testimony of Mr. Dean, and here on the table in front of you is a copy of Applicant's -- or excuse me, Viking's Exhibit Number Four, which is a well history on the Seymour State No. 1.

A. Yes, I have these.

Q. All right. In either case, if you need to refer to those in connection to the questions I'll be asking you, please feel free to do that.

First of all, Mr. McWilliams, with the -- having in mind the normal terms as used by the oil and gas industry, when was the drilling of the Seymour State No. 1 Well commenced?

A. My experience has been that it would commence the day that the cable tools were moved in, which, the first day would have been November 23rd, '81.

Q. I would like for you to direct your attention to the completion activities in connection with Seymour State No. 1, first of all, as to those activities which were directed to the Mississippian formation, commenced sometime around late March or April of 1982.

What are your observations concerning those operations?

A. Well, the first and general observation

is that quite a bit of time and money was spent on it.

I would also want to point out it's been my experience that the drill stem test that did give a good show of gas in the Fusselman-Mississippian section, is not the only criterion for determining how much time you should spend trying to complete a zone.

I've had, and I'm sure every operator's had at one time or another, very good drill stem tests and the electric logs, sample examinations, would show that it was a very, very thin section. You can get high pressures, high volumes out of a very thin section.

So -- and I do not know what their electric logs looked like, whether they were good, thick, potential sections. I don't know what their sample determination was.

Q What is --

A Or the geologist's recommendation, and in view of that, I wouldn't be in a position to say just how good a show it was.

Q What significance is there in making a judgment concerning completion if the efforts were directed to a strata that was four feet in width; that is, between 6075 and 6079?

A I don't believe you could give that parti-

cular strata, or zone, as we call it, very much in the way of potential reserves.

Q Have the logs on this well ever been made available for examination by your company?

A As far as I know, they haven't. I have never seen them.

Q Would you say that essentially the question whether to test the Mississippian formation would be a matter of judgment and that operators might reasonably agree or disagree on that one.

A It would have to be a judgment based on all the -- all the factors involved.

Q Given that, however, with the information that is available to you and what you heard of Mr. Deans testimony, what is your opinion as to whether it was reasonable and prudent operation to spend something between 24 and 30 days in attempting to accomplish a completion of that Mississippian strata?

A If Mr. Grynberg were drilling that well, I don't think he would have allowed us to spend that much time on it. I'm reasonably sure he would not have.

Q Well, what -- what amount of time, if you were going to make the decision, apart from that one being a good one or not, if you were going to direct yourself to

attempt to complete that, in your opinion what would the reasonable and prudent operator spend, how many days would the reasonable and prudent operator spend in attempting a completion on that Mississippian formation?

A. I think they might allow ten days, but then you get into factors that could change the picture.

Q. Did you see anything from the drilling report, the information made available, that justified going -- going on beyond ten days for efforts at completion of this formation?

A. I cannot interpret these daily reports from a standpoint of what actually happened and what evidence you had to urge you to do this or that. They're not complete. They're not intended for that purpose. I couldn't --

Q. What -- what information would you have to have in order to be able to test whether that completion operation was reasonable or not?

A. Well, if there were some -- the reports, for example, in some places I've looked, maybe I've overlooked some of them, but they do not show -- say you go in and perforate and acidize a zone, it doesn't show me if there was any water swabbed back after -- if all the acid water was swabbed back and if any formation water came back and, if so, how much, and in some cases it says estimated gas flow of

250,000 cubic feet of gas, but if a person wasn't there, maybe to ask questions and see what was going on, it's hard to make a determination from a report of this type.

Q What is the significance of the -- of the water circumstances?

A Well, if you are in a gas area and trying to get some gas and your first stimulation step is acidizing, you check very carefully to be sure you're not getting back formation water along with your acid water, and then after you frac, you check much more thoroughly to be sure that you're not getting water, formation water, I should point out, and if so, how much you're getting, because the quantity of water should determine whether or not your well is going to be commercial, whether it's economic to operate.

Q The reports and Mr. Deans' testimony reflect about 25 days spent on attempts to complete Atoka formations.

Do you have an opinion as to whether or not that was a reasonable period of time?

A Well, I'm sure that they would have liked to have done it in less time than that. There were some problems and basically, the problems account for the time. I'm sure they would have preferred to have done that in ten or twelve days.

Q What is your experience as to the amount of time that would normally be taken? To do that?

A I don't think I could -- in that particular area, in this particular formation, I couldn't say, because I haven't completed a well in that immediate vicinity, but zones of that type I have seen myself and other people stimulate and test and have whatever information they need in ten to fifteen days.

Q About four or five days were spent on completion in the Abo formation. Does that comport with your experience in completing those formations?

A That is what would be considered normal and efficient, yes, in this area.

Q One question I'd like to ask your observation on, and that concerns the Abo production here, Mr. Deans has described the two upper perforations of the Atoka, which by the design of the completion of this well, would be produced from the same string as the Abo formation, and he has described those as being non-producing.

Can you state whether or not they are non-producing from information that you have?

A I cannot state whether or not they're producing or non-producing.

Q Is there any way to know that definitively

with the information that's been brought forward?

A I can't see from this information how you could determine that.

Q Do you know, in this well history report, Mr. McWilliams, is that -- that level, that 5926 to 5952 was acidized?

A Yes, it was. It was acidized with 4000 gallons.

Q What would be the expected effect of acidizing that formation?

A That it, obviously, or I would assume that the acid was pumped into the formation, and the last entry here it gives a maximum pressure of 3600 pounds, minimum treating pressure, 2700 pounds.

The last entry on that day is swabbing.

Q Now what is the objective of those operations?

A Well, the operations are in sequence. They are normal. They are to break down the formation. It is a part of your frac job, you might say, in that it does break down the formation by chemical and physical means, and puts you then in condition to frac the well.

Q Do those operations enhance production or would they be expected to enhance production?

A. Yes. In fact, in some areas and some formations under certain conditions, it's almost a necessity to acidize before you can get a frac job.

MR. GALLEGOS: That's all the questions I have. Thank you. Mr. Hall may have some.

MR. RAMEY: Any questions of Mr. McWilliams?

MR. HALL: I just have a couple, sir.

CROSS EXAMINATION

BY MR. HALL:

Q. Mr. McWilliams, I think you testified that you didn't have -- haven't had access to logs --

A. No, I have not.

Q. -- or any samples or any geology?

A. No.

Q. On this well. So you really aren't in a position to -- to make anything more than just a guess as to what you would have done.

A. Well, I'm in a position that I know nothing about the -- what information the electric logs or the samples or the geologist's opinion would have in making these decisions.

Q. This DST No. 3 was run not just on four

feet of pay but on 85 feet of pay from 6055 to 6140, was it not?

A. I would argue your terminology there. I think it would be proper to say 85 feet of open hole.

Q. Of open hole.

A. Pay means a show of hydrocarbons.

Q. And we don't have any indication here, and you don't, as to exactly how much of that 85 feet might have been --

A. That's it. I have no way of saying.

Q. And I think you testified you haven't had any experience in completing the Atoka in this area.

Have you had any experience in trying to complete in the Fusselman-Mississippian?

A. Not in this area, no. I've had, at least, experience in the Atoka in other areas, but not this.

MR. HALL: I have no further questions.

CROSS EXAMINATION

BY MR. RAMEY:

Q. Mr. McWilliams, you said something about the interval there for drill stem test 3, which took 30 days to test, that you probably felt 10 days was sufficient?

A. On -- yes. That would be -- I can't think

of the right word -- a conditional estimate because I have not seen the information that led them, apparently, to spend this much time on it.

Q. You realize -- I realize you haven't seen the logs or anything, but what's -- what's in the drill stem test that would make you conclude this?

A. The drill stem test indicated a good gas well. I have had drill stem tests of that size, smaller and larger, that came out of maybe a 2-foot section of a conglomerate or loose formation, had high pressure and high volume, that -- but it was a 2-foot section.

We determined this from our log and from our geology.

We set pipe on them, stimulated them, never got anywhere near that much, and depleted it, depleted what reservoir was there in a matter of weeks. So it would be noncommercial.

My point was there, sir, that the drill stem test is just one element in making a decision.

Q. And they perforated first something like four feet.

A. Yes, 75 to 79.

Q. So that's twice --

A. Uh-huh.

Q. -- more than your assumed two feet.

A. But I might point out that the determination of how many feet to perforate is also a matter of opinion. One geologist might say, well, we shouldn't do that, there's only two feet there.

Q. That's true. They had -- they had a good recovery, they testified 2.7 million.

A. Good pressure.

Q. The drill stem test had initial shut-in pressure of 2325, a final shut-in pressure of 2325, which indicated no drawdown.

So there is a possibility that there was a reservoir.

A. There is.

Q. But without the logs you really can't make that determination.

A. No, sir.

MR. RAMEY: Any other questions of Mr. McWilliams? He may be excused.

We'll have a recess until 1:15.

(Thereupon the noon recess was taken.)

MR. RAMEY: The hearing will come to order. Do you have ancther witness, Mr. Gallegos?

MR. GALLEGOS: Mr. Chairman, I'd like to recall Mr. McWilliams for another item of testimony that I overlooked previously.

JIM McWILLIAMS

being recalled as a witness and being previously sworn, testified as follows, to-wit:

REDIRECT EXAMINATION

BY MR. GALLEGOS:

Q. Mr. McWilliams, would you identify for the record the exhibit that's been marked as Exhibit Number One of Grynberg-Viking?

A. This is a structure map based on top of the Abo formation in the Silman Lake Area, prepared by Grynberg and Associates.

Q. In the upper center of this map is a well labeled proposed location. Is that the Seymour State No. 1 that's been the subject of the testimony in this case?

A. I'm pretty sure it is. 18, yes, that is it.

Q. In Section 18?

A. Uh-huh.

Q. All right. Now, has your company had made available to it information on the drilling of other wells in this same vicinity through a service known as PI, Petroleum Information?

A. Well, I can't really answer that. In a normal sequence of events, if a company turns over their information to Petroleum Information it comes out in this form. It's public information. You can order it or you will get it automatically.

Q. Okay, well, that's what I was asking, but that -- that is a source that the oil and gas industry uses to provide some general data on wells that are being drilled and completed.

A. Yes, unless they choose not to do it, in which case they call it a tight hole, no information at least

Q. Otherwise it's public information?

A. Yes.

Q. And this service is one of those that's available for you to get that public information?

A. Yes.

Q. Okay, with -- with the utilization of that information, what I'd like to ask you, Mr. McWilliams, is to make available to this Commission the information con-

cerning other wells drilled in the vicinity of the Seymour State No. 1 as to when they were spudded and when they were completed.

A. All right.

Q. As you take them, please identify them on the map, the well and where it is located.

A. This is Plains Radio Broadcasting in Section 7, 9 South, 27 East, Chaves County. It's in the section directly north of the well that we're discussing, the Seymour State.

Spudded March 8, '81. Completed 4-13-81 as a gas well.

Q. At what depth?

A. A little notation here said this well drilled and completed tight by Fred Pool, but they released -- apparently Mr. Pool later saw fit to release -- yes, that's what happened. He did release information later.

And perforated in the Pennsylvanian, Pennsylvanian discovery.

Q. Okay, so does that give you the depth of that well?

A. Yes, perforated 6154 to 64, two shots per foot, and the next notation is Pennsylvanian discovery.

Q. Okay, what's the next well in that vicinity

that you have information on as far as the completion time?

A. This one is Fred Pool Operating No. 2 Eastland State. It is in Section 13 of 9 South, 26 East. On the map it shows -- well, approximately -- it's in the northeast quarter of Section 13.

All right, it was spudded January 26, '82; completed March the 2nd, '82.

Q. To a depth of what?

A. All right, the -- well, it will take me a minute to dig this out. 60 -- notation here, the top of the pay, Fusselman, producing through perforations 6002 to 6050, and it's potentialed for 8,882,000 cubic feet; no fluid.

Q. All right, if you'll go to the next one, please.

A. It's Fred Pool operating, No. 1 Eastland State, also in Section 13, 9 South, 26 East. Spud 6-30-81; complete 9-29-81.

I can't right quickly find the total depth. It went below 6100 in the Mississippian.

Q. I think that's good enough for comparison purposes.

Do you have another vicinity there?

A. No, I thought I had another but it turns out it's duplication.

Q That's all?

A Yes.

Q Okay.

MR. GALLEGOS: That's all the questions that we have.

MR. RAMEY: Thank you. Any questions?

You may be excused, Mr. McWilliams.

MR. GALLEGOS: May Exhibit Number One be admitted, Mr. Chairman?

MR. RAMEY: Exhibit Number One will be admitted, Mr. Gallegos.

MR. GALLEGOS: We have no further witnesses or evidence.

MR. RAMEY: Okay, is there anything further in this case? Any closing statements?

You may go first, Mr. Gallegos.

MR. GALLEGOS: If it please the Commission, the position of Grynberg and Viking Petroleum Company is that the time for completion of the Seymour State Well No. 1 commenced on November 23, 1981, with the spudding of that well, and that that constituted commencement and necessarily constituted commencement of the drilling of the well, or if not, then a substantial and probably critical legal question would exist as to the continuation of the State

lease.

Obviously, HEYCO cannot have it both ways and have performance of its lease satisfied, for that purpose have a commencement of the well, and have -- for another purpose come in and say it was at some other date.

The record reflects an excuse offered for a period of thirty-four days from the issuance of this order before moving in of a rotary rig, because of the impendance or the possibility of some appeal of the order.

The fact remains that this order was in effect. The Commission is familiar with the provisions of law pertaining to stay, or lack of provisions pertaining to stay of these orders, and the order was in effect and if a party does not use thirty-four days of drilling time, it does so at its hazard.

Furthermore, once the efforts were underway in what we might say, in earnest, I think the evidence clearly shows that they were not conducted in a reasonable and prudent manner, and that simply, the drilling operations here and in particular the completion operations took longer and longer span of time than would have been consumed by an operator who was proceeding in the ordinary manner, in the manner that other wells in the vicinity have been drilled, and a reasonable and prudent manner.

We contend that the order, R-6873, should be rescinded and that the operator, HEYCO, would be in the position of an operator under Section 70-2-18, who has drilled a well without a voluntary agreement of the mineral interest owners, and without an order of the Commission force pooling those interests, and is then required to pay the mineral interest owners their rightful share less expenses, as provided by statute, and that in that situation, the Commission would maintain HEYCO as the designated operator of the well but that the pooling would have expired and would be out of effect and the rights of the parties would be governed by law, as they would be with the absence of a pooling order.

I would like to say in addition, in making the argument and asking the relief that I just mentioned, it should be clear that we're not intending to abandon and waive the position that I stated at the outset of this hearing, that the issue should be quite a bit broader than the Commission has determined to address in this particular proceeding.

We maintain that there should be an investigation of and decision on other issues.

But on the issue that the Commission has determined to hear, it's our position as I just stated.

MR. RAMEY: Thank you, Mr. Gallegos.

Mr. Hall?

MR. HALL: Yes, Mr. Commissioner.

First of all, we would not quarrel that the well in fact was spud on November 23rd, 1981, since we had to have that spud date to keep our -- our lease.

Our argument is simply that by waiting until we were justified in waiting until February the 11th because we had been told by Mr. Grynberg that he was going to appeal this order. He was going to appeal it to District Court. He was going to appeal it to the Supreme Court, if necessary.

We, therefor, felt, under these unusual circumstances, that we did not want to be ridden down on this well. We had to wait until the time had passed that the order was going to be valid unless overturned by the court. We had to wait for the time period that the order grants any nonconsenting party to pay his share or to -- or to join, and we also had to wait until the time period had run, at which time the Oil Conservation Commission had refused to give Mr. Grynberg a rehearing on the case.

We felt that was as far as we could go in postponing any concerted effort to get the well down.

So we maintain we had a good and valid reason for not being diligent in getting the well down before the time period had run. We had a big financial reason for

that, and I think after the -- the time period that the -- the rotary taken -- the rotary was moved on, the rotary rig, our testimony here has established that we were prudent, we were diligent in conducting our operation, and even Viking's witnesses here today have had to -- to testify that they did not have enough information to validly go back and evaluate the time spent by HEYCO in trying to make the different perforation tests and different completion attempts that we made.

They acknowledged that they did not have the information that we did. We would just maintain we have put on sufficient evidence to show that we're a diligent operator and would ask that the order be continued in effect.

MR. RAMEY: Thank you, Mr. Hall. Anything else?

MR. GALLEGOS: Mr. Chairman, may I just close, just very briefly?

I want to point out two important facts to be considered.

One of those is that between January 7 and February 11 there was no effort, application, or other step taken on the part of Grynberg to stay, enjoin, or do anything concerning the going in effect of the order in question, and the Commission is aware that there are such procedures available that might be attempted that would have, or

possibly would have stayed that order.

That was not done. The order was in full force and effect.

Secondly, that there was no request by HEYCO at any time when that -- when the clock was running during that period, to seek at the end of this so-called appeal period and rehearing period, an addition to the 120 days.

Only when the process that HEYCO followed on attempting to complete this well ran then beyond the time period did they then come into the Commission.

And this, you know, the question about Grynberg and the appeal is obviously an afterthought.

Finally, if it please the Commission, I think this Commission can and should find this well is not completed as we stand here today. In September of 1982 this well is not completed. It still hasn't been completed.

We have a situation with gas leakage into the casing. We have a question of production of two different kinds and two different price gases being produced up one hole. I don't think that's going to be tolerated either by the Commission or by a pipeline purchaser. This well is not yet completed and we're not talking about under the wire by 120 days. We're now talking about a well that should have been started January 7th, and in September it's not completed.

That's what we're really doing here. Thank you.

MR. RAMEY: Thank you, Mr. Gallegos.

I wish the applicant would furnish the Commission with a copy of the electric logs showing drill stem tests, pay intervals, results of drill stem tests, plus all the perforations and results of perforations.

MR. HALL: We have those in the next case.

MR. RAMEY: Do you have those for the Commission?

MR. HALL: We have a whole set of logs.

MR. RAMEY: Are all those things on -- on the logs?

MR. NOKES: The DST's are not on them, Mr. Examiner, but as --

MR. RAMEY: Perhaps I can get along without that.

MR. NOKES: I believe we have two copies. One was sent to you and the original plus one we have here today.

MR. RAMEY: Does anyone have anything further to add in this case, Case 7657?

MR. HALL: No, sir.

MR. RAMEY: If not, the Commission will take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY BOYD, C.S.R.
Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 26, 1982

COMMISSION HEARING

IN THE MATTER OF:

Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico.

CASE 7657

BEFORE: Joe D. Ramey, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: W. Perry Pearce
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

MR. RAMEY: Call Case 7657.

MR. PEARCE: Case 7657, application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. It is requested that this case be continued to September 22, 1982.

MR. RAMEY: The case is hereby continued to September 22, 1982.

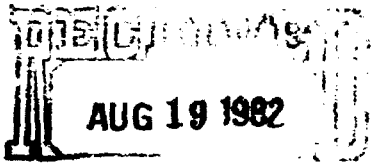
HEYCO **HARVEY E. YATES COMPANY**

PETROLEUM PRODUCERS

P O BOX 1933 SUITE 300, SECURITY NATIONAL BANK BUILDING 505/623-6601
ROSWELL, NEW MEXICO 88201

Case 1697

August 18, 1982



Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: SEYMOUR STATE COM #1
Section 18
T-9S, R-27E, N.M.P.M.
Chaves County, New Mexico
OCC Order No. R-6873

Gentlemen:

Enclosed, pursuant to the requirements of Commission Order No. R-6873, is an itemized schedule of actual well costs on the above-referenced well. The schedule contains all costs through July 31, 1982. Although additional invoices may be received, we do not, at this time, anticipate receiving any.

Sincerely,

Thomas J. Hall, III
Attorney

TJH:seb

Enclosures

LEASE-0914282-SEYMORE STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION	AMOUNT	GEN	SUB
			INTANGIBLES			
02	2	182	BILLING TO CORRECT WI INTANGIBLE	6,959.73-	250	20
04	2	43082	TO CORRECT INT 9-30-81	394.72-	250	20
04	2	43082	TO CORRECT INT 10-31-81	921.37-	250	20
				8,275.82-*		
			INTANGIBLE COMPLETION COSTS			
02	2	1181	BILLING TO CORRECT WI INTANGIBLE	461.61-	252	44
02	2	1281	BILLING TO CORRECT WI INTANGIBLE	37,400.60-	252	44
02	2	182	BILLING TO CORRECT WI INTANGIBLE	915.27-	252	44
04	2	43082	TO CORRECT INT 10-31-81	136.90-	252	44
				38,914.38-*		
			TANG DRLG & COMPLETION			
02	2	1281	BILLING TO CORRECT WI EQUIP	39.29-	260	17
				39.29-*		
			LEASE OPERATING EXPENSE			
02	2	1281	BILLING TO CORRECT WI OPERATE EXP	48.44-	270	57
02	2	182	BILLING TO CORRECT WI OPERATE EXP	4,098.22-	270	57
04	2	43082	TO CORRECT INT 11-30-81	118.33-	270	57
				4,264.99-*		
				51,494.48-**		

LEASE-0914282-SEYMORE STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION	AMOUNT	GEN	SUB
			INTANGIBLES			
02	2	182	BILLING TO CORRECT WI INTANGIBLE	6,959.73-	250	20
04	2	43082	TO CORRECT INT 9-30-81	394.72-	250	20
04	2	43082	TO CORRECT INT 10-31-81	921.37-	250	20
				8,275.82-*		
			INTANGIBLE COMPLETION COSTS			
02	2	1181	BILLING TO CORRECT WI INTANGIBLE	461.61-	252	44
02	2	1281	BILLING TO CORRECT WI INTANGIBLE	37,400.60-	252	44
02	2	182	BILLING TO CORRECT WI INTANGIBLE	915.27-	252	44
04	2	43082	TO CORRECT INT 10-31-81	136.90-	252	44
				38,914.38-*		
			TANG DRLG & COMPLETION			
02	2	1281	BILLING TO CORRECT WI EQUIP	39.29-	260	17
				39.29-*		
			LEASE OPERATING EXPENSE			
02	2	1281	BILLING TO CORRECT WI OPERATE EXP	48.44-	270	57
02	2	182	BILLING TO CORRECT WI OPERATE EXP	4,098.22-	270	57
04	2	43082	TO CORRECT INT 11-30-81	118.33-	270	57
				4,264.99-*		
				51,494.48-**		

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
			MINERAL RIGHTS NON PROD WI				
06	2	10950 61882	KATHERINE BROOKBANK, RP	TRANSCRIPT PROCEEDINGS	169.41	220	05
					169.41 *		
			INTANGIBLES				
01	1	82500 118125	SWEATT CONSTRUCTION	LEVEL, CALICHE,WATER & BL	26,180.84	250	04
01	1	93150 111005	JOHN WEST ENGINEERING	RE-STAKE LOCATION	452.61	250	04
11	1	00458 10149	A-1 SIGN ENGRAVERS	SIGN	22.46	250	04
11	1	93150 981150	JOHN WEST ENGINEERING	STAKE LOCATION	508.91	250	04
02	2	56710 012882	CARL W. MEREDITH	CK#5829	1,180.00	250	04
03	2	54151 23504	M & M RENTAL TOOLS	LINE RESERVE PITS	2,096.64	250	04
03	2	82500 28231	SWEATT CONSTRUCTION	DIGGING PITS	1,324.80	250	04
04	2	54425 0069	MAGNAGLO INSPECTION	PIT & FENCE	741.79	250	04
04	2	56702 5990	CARL MEREDITH	SURFACE DAMAGES	4,060.00	250	04
04	2	72015 1553	PRUITT CONSTRUCTION	DIG PIT, WORK ON LOCATION	372.60	250	04
04	2	75500 29604	ROSE GRAVEL	GRAVEL	343.62	250	04
05	2	56710 005990	CARL W. MEREDITH	005990 INV 005990	4,060.00	250	04
04	2	37275 02006	HORIZON DRILLING & EXPL	DRILLED WELL	226,610.83	250	06
03	2	07520 3074	BAER OILFIELD SERVICES	RUN 350' OF 13 3/8 CSG	1,716.00	250	10
03	2	34060 071190	HALLIBURTON SERVICES	13 3/8 SURFACE	4,685.32	250	10
03	2	34060 254303	HALLIBURTON SERVICES	1# CEMENT	7,553.35	250	10
03	2	52680 07700	LINK RAT HOLE INC	HOTSHOT CSG	3,748.31	250	10
03	2	75901 59172	ROSWELL READY MIX	CONCRETE MIX	588.79	250	10
03	2	08550 0003023	BAER OILFIELD SERVICES	RUN 1525' OF 8 5/8 CSG	1,487.20	250	12
03	2	34060 019320	HALLIBURTON SERVICES	8 5/8 INTERMEDIATE	9,020.89	250	12
03	2	10961 1670	BROOM TRANSPORTATION CO	HAUL BRINE WATER	498.53	250	14
03	2	10961 1701	BROOM TRANSPORTATION CO	HAUL BRINE WATER	498.53	250	14
03	2	46450 A29660	JIM'S WATER SERVICE	HAULED WATER	369.50	250	14
03	2	46450 A29701	JIM'S WATER SERVICE	HAULED WATER	659.81	250	14
03	2	46450 A29842	JIM'S WATER SERVICE	TRANSPORTATION WATER	359.47	250	14
04	2	46450 A310196	JIM'S WATER SERVICE	HAULED WATER	456.88	250	14
04	2	54652 7141	MARRS MUD INC	MUD MATERIALS	29,236.69	250	14
04	2	71330 164	FRED POOL OPERATING CO	GENERATOR RENTAL	945.00	250	14

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
			MINERAL RIGHTS NON PROD WI				
06	2	10950 61882	KATHERINE BROOKBANK, RP	TRANSCRIPT PROCEEDINGS	169.41	220	05
					169.41 *		
			INTANGIBLES				
01	1	82500 118125	SWEATT CONSTRUCTION	LEVEL, CALICHE, WATER & BL	26,180.84	250	04
01	1	93150 111005	JOHN WEST ENGINEERING	RE-STAKE LOCATION	452.61	250	04
11	1	00458 10149	A-1 SIGN ENGRAVERS	SIGN	22.46	250	04
11	1	93150 981150	JOHN WEST ENGINEERING	STAKE LOCATION	508.91	250	04
02	2	56710 012882	CARL W. MEREDITH	CK#5829	1,180.00	250	04
03	2	54151 23504	M & M RENTAL TOOLS	LINE RESERVE PITS	2,096.64	250	04
03	2	82500 28231	SWEATT CONSTRUCTION	DIGGING PITS	1,324.80	250	04
04	2	54425 0069	MAGNAGLO INSPECTION	PIT & FENCE	741.79	250	04
04	2	56702 5990	CARL MEREDITH	SURFACE DAMAGES	4,060.00	250	04
04	2	72015 1553	PRUITT CONSTRUCTION	DIG PIT, WORK ON LOCATION	372.60	250	04
04	2	75500 29604	ROSE GRAVEL	GRAVEL	343.62	250	04
05	2	56710 005990	CARL W. MEREDITH	005990 INV 005990	4,060.00	250	04
04	2	37275 02006	HORIZON DRILLING & EXPL	DRILLED WELL	226,610.83	250	06
03	2	07520 3074	BAER OILFIELD SERVICES	RUN 350' OF 13 3/8 CSG	1,716.00	250	10
03	2	34060 071190	HALLIBURTON SERVICES	13 3/8 SURFACE	4,685.32	250	10
03	2	34060 254303	HALLIBURTON SERVICES	1" CEMENT	7,553.35	250	10
03	2	52680 07700	LINK RAT HOLE INC	HOTSHOT CSG	3,748.31	250	10
03	2	75901 59172	ROSWELL READY MIX	CONCRETE MIX	588.79	250	10
03	2	08550 0003023	BAER OILFIELD SERVICES	RUN 1525' OF 8 5/8 CSG	1,487.20	250	12
03	2	34060 019320	HALLIBURTON SERVICES	8 5/8 INTERMEDIATE	9,070.89	250	12
03	2	10961 1670	BROOM TRANSPORTATION CO	HAUL BRINE WATER	498.53	250	14
03	2	10961 1701	BROOM TRANSPORTATION CO	HAUL BRINE WATER	498.53	250	14
03	2	46450 A29660	JIM'S WATER SERVICE	HAULED WATER	369.50	250	14
03	2	46450 A29701	JIM'S WATER SERVICE	HAULED WATER	659.81	250	14
03	2	46450 A29842	JIM'S WATER SERVICE	TRANSPORTATION WATER	359.47	250	14
04	2	46450 A310196	JIM'S WATER SERVICE	HAULED WATER	456.88	250	14
04	2	54652 7141	MARRS MUD INC	MUD MATERIALS	29,236.69	250	14
04	2	71330 164	PIED POOL OPERATING CO	GENERATOR RENTAL	945.00	250	14

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

NO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	83020 119	T71 SERVICE	140 BBLS FRESH WATER	300.63	250	14
05	2	56702 006013	CAR: MEREDITH	006013 INV 006013	4,000.00	250	14
01	1	46595 112181	J R SERVICES	PUMP & GENERATOR RENT	4,050.00	250	18
01	1	73400 1768	RAPID FLO INC	PE PIPE RENTAL (3")	2,004.21	250	18
02	2		J R SERVICES PUMP RENTAL		4,050.00	250	18
02	2		J R SERVICES		4,050.00-	250	18
02	2	46595 020982	J R SERVICES	PUMP & GENERATOR RENTAL	4,050.00	250	18
02	2	73400 1908	RAPID FLO INC	3" PE PIPE RENTAL FROM 12	1,729.73	250	18
03	2	46595 820302	J R SERVICES	PUMP & GENERATOR RENTAL	4,050.00	250	18
03	2	73400 1979	RAPID FLO INC	PIPE RENTAL	1,729.73	250	18
04	2	46595 32382	J R SERVICES	RENTAL ON GENERATOR	3,886.65	250	18
04	2	73400 2104	RAPID FLO INC	7920' 3" PIPE RENTAL 3-21	1,729.73	250	18
04	2	73440 2037	RAPID FLOW LINES	PIPE RENTAL	1,729.73	250	18
04	2	81083 8203434	STANDARD SERVICE INC	30 DAYS RENTAL	980.99	250	18
06	2	46595 630824	J R SERVICES	TAX NOT CHGS ON ORIGINAL	172.13	250	18
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06	2	46595 630824	J R SERVICES	TAX NOT CHGD ON ORIGINAL	172.13	250	18
12	1		1130 D GIRAND WELL SUPERVISION		467.13	250	20
12	1		1130 L CARPENTER WELL SUPERVISION		213.45	250	20
12	1		1130 B WILLIAMS WELL SUPERVISION		89.16	250	20
12	1		1130 A J DEANS WELL SUPERVISION		393.20	250	20
02	2	182	BILLING TO CORRECT WI INTANGIBLE		6,959.73	250	20
03	2		31 DAYS DRLG OVERHEAD MARCH		3,550.00	250	20
03	2	05230 1506	ARROWHEAD WELDING	PUT ON 8 5/8 NIPPLE&2" CO	217.35	250	20
03	2	05230 1509	ARROWHEAD WELDING	CUT OFF 13 3/8 & WELD	159.39	250	20
03	2	05230 1514	ARROWHEAD WELDING	CUT OFF CONDUCTOR PIPE TO	318.78	250	20
04	2		APRIL DRLG OH 30 DAYS		4,011.50	250	20
04	2	43082	TO CORRECT INT 9-30-81		394.72	250	20
04	2	43082	TO CORRECT INT 10-31-81		921.37	250	20
04	2	34012 5866	H & W ENTERPRISES	CUT OFF 4 1/2" CASING	121.68	250	20
10	1	51730 51115	LAWYERS TITLE	ABSTRACT	126.00	250	22
10	1	77400 4518	SCHUTZ ABSTRACT CO	ABSTRACT #2433	268.72	250	22
11	1	46102 100781	JENNINGS AND CHRISTY	DRLG & DOT OPINION	390.00	250	24

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	83020 119	T71 SERVICE	140 BBLS FRESH WATER	300.63	250	14
05	2	56202 006013	CARL MEREDITH	006013 INV 006013	4,000.00	250	14
01	1	46595 112161	J R SERVICES	PUMP & GENERATOR RENT	4,050.00	250	18
01	1	73400 1768	RAPID FLO INC	PE PIPE RENTAL (3")	2,004.21	250	18
02	2		J R SERVICES PUMP RENTAL		4,050.00	250	18
02	2		J R SERVICES		4,050.00-	250	18
02	2	46595 020982	J R SERVICES	PUMP & GENERATOR RENTAL	4,050.00	250	18
02	2	73400 1908	RAPID FLO INC	3" PE PIPE RENTAL FROM 12	1,729.73	250	18
03	2	46595 820302	J R SERVICES	PUMP & GENERATOR RENTAL	4,050.00	250	18
03	2	73400 1979	RAPID FLO INC	PIPE RENTAL	1,729.73	250	18
04	2	46595 32382	J R SERVICES	RENTAL ON GENERATOR	3,886.65	250	18
04	2	73400 2104	RAPID FLO INC	7920' 3" PIPE RENTAL 3-21	1,729.73	250	18
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06	2	46595 630824	J R SERVICES	TAX NOT CHGD ON ORIGINAL	172.13	250	18
12	1		1130 D GIRAND WELL SUPERVISION		467.13	250	20
12	1		1130 L CARPENTER WELL SUPERVISION		213.45	250	20
12	1		1130 B WILLIAMS WELL SUPERVISION		89.16	250	20
12	1		1130 A J DEANS WELL SUPERVISION		393.20	250	20
02	2	182	BILLING TO CORRECT WI INTANGIBLE		6,959.73	250	20
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03	2	05230 1506	ARROWHEAD WELDING	PUT ON 8 5/8 NIPPLE&2" CO	217.35	250	20
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03	2	05230 1514	ARROWHEAD WELDING	CUT OFF CONDUCTOR PIPE TO	318.78	250	20
04	2		APRIL DRLG OH 30 DAYS		4,011.50	250	20
04	2	43082	TO CORRECT INT 9-30-81		394.72	250	20
04	2	43082	TO CORRECT INT 10-31-81		921.37	250	20
04	2	34012 5866	H & W ENTERPRISES	CUT OFF 4 1/2" CASING	121.68	250	20
10	1	51730 51115	LAWYERS TITLE	ABSTRACT	126.00	250	22
10	1	77400 4518	SCHUTZ ABSTRACT CO	ABSTRACT #2433	268.72	250	22
11	1	46102 100781	JENNINGS AND CHRISTY	DRLG & DOT OPINION	390.00	250	24

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
					379,361.47 *		
			IDC FORMATION EVALUATION				
04	2	19280 06643	DRESSER INDUSTRIES INC	LOGGING	20,265.62	251	22
03	2	34060 254551	HALLIBURTON SERVICES	OPEN HOLE TEST #1	3,491.29	251	24
03	2	34060 289303	HALLIBURTON SERVICES	OPEN HOLE TEST #2	4,030.76	251	24
04	2	34060 254635	HALLIBURTON SERVICES	DST #5	3,696.94	251	24
04	2	34060 254740	HALLIBURTON SERVICES	DST # 3	1,786.98	251	24
04	2	34060 254741	HALLIBURTON SERVICES	DST #4	3,448.38	251	24
04	2	34060 289305	HALLIBURTON SERVICES	OPEN HOLE DST #4	3,379.74	251	24
03	2	09211 28253	BENNETT-CATHY WIRE LINE	TEMP SURVEY	256.55	251	26
03	2	82240 475600	SUPERIOR SUPPLY CO	SAMPLE BAGS	22.88	251	26
04	2	11311 31882	BRYLOGGING	LOGGING	8,235.80	251	26
04	2	11311 3482	BRYLOGGING	LOGGING	399.22-	251	26
05	2	050582	BRY LOGGING		7,781.56-	251	26
06	2	07760 1606	BAKER-DODSON SUPPLY CO	SAMPLE BAGS	113.72	251	26
					40,547.90 *		
			INTANGIBLE COMPLETION COSTS				
06	2	13802 605	MACK CHASE INC	SWABBING UNIT	27,832.70	252	30
06	2	13802 606	MACK CHASE INC	COMPLETION UNIT	24,151.73	252	30
06	2	13802 607	MACK CHASE INC	COMPLETION UNIT	25,703.71	252	30
06	2	13802 608	MACK CHASE INC	PULLING UNIT	11,621.08	252	30
06	2	13802 665	MACK CHASE INC	SWAB UNIT	4,109.47	252	30
03	2	08550 3131	BAER OILFIELD SERVICES	CSG SERVICE & RENTAL TOOL	1,792.44	252	32
04	2	34060 254236	HALLIBURTON SERVICES	5 1/2 2 STAGE LONGSTRING	24,555.96	252	32
06	2	46450 R6589	JIM'S WATER SERVICE	TRANSPORTATION WATER	383.18	252	32
06	2	46450 R6782	JIM'S WATER SERVICE	TRANSPORTATION WATER	730.49	252	32
04	2	46450 A310583	JIM'S WATER SERVICE	HAULED WATER	1,176.15	252	34
04	2	46450 A410741	JIM'S WATER SERVICE	KILL TRUCK	372.60	252	34
04	2	46450 R$194	JIM'S WATER SERVICE	HAULED WATER	541.65	252	34
04	2	46450 R4111	JIM'S WATER SERVICE	HAULED WATER	538.69	252	34
04	2	46450 R4245	JIM'S WATER SERVICE	HAULED WATER	1,402.78	252	34
04	2	46450 R4279	JIM'S WATER SERVICE	HAULED WATER	519.01	252	34

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

NO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
					379,361.47 *		
			IDC FORMATION EVALUATION				
04	2	19280 06643	DRESSER INDUSTRIES INC	LOGGING	20,265.62	251	22
03	2	34060 254551	HALLIBURTON SERVICES	OPEN HOLE TEST #1	3,491.29	251	24
03	2	34060 289303	HALLIBURTON SERVICES	OPEN HOLE TEST #2	4,030.78	251	24
04	2	34060 254635	HALLIBURTON SERVICES	DST #5	3,696.94	251	24
04	2	34060 254740	HALLIBURTON SERVICES	DST # 3	1,786.98	251	24
04	2	34060 254741	HALLIBURTON SERVICES	DST #4	3,448.38	251	24
04	2	34060 289305	HALLIBURTON SERVICES	OPEN HOLE DST #4	3,379.74	251	24
03	2	09211 28253	BENNETT-CATHY WIRE LINE	TEMP SURVEY	256.55	251	26
03	2	82240 475600	SUPERIOR SUPPLY CO	SAMPLE BAGS	22.88	251	26
04	2	11311 31882	BRYLOGGING	LOGGING	8,235.80	251	26
04	2	11311 3482	BRYLOGGING	LOGGING	399.22-	251	26
05	2	050582	BRY LOGGING		7,781.56-	251	26
06	2	07760 1606	BAKER-DODSON SUPPLY CO	SAMPLE BAGS	113.72	251	26
					40,547.90 *		
			INTANGIBLE COMPLETION COSTS				
06	2	13802 605	MACK CHASE INC	SWABBING UNIT	27,832.70	252	30
06	2	13802 606	MACK CHASE INC	COMPLETION UNIT	24,151.73	252	30
06	2	13802 607	MACK CHASE INC	COMPLETION UNIT	25,703.71	252	30
06	2	13802 608	MACK CHASE INC	RUTTING UNIT	11,621.08	252	30
06	2	13802 665	MACK CHASE INC	SWAB UNIT	4,109.47	252	30
03	2	08550 3131	BAER OILFIELD SERVICES	CSG SERVICE & RENTAL TOOL	1,792.44	252	32
04	2	34060 254236	HALLIBURTON SERVICES	5 1/2 2 STAGE LONGSTRING	24,555.96	252	32
06	2	46450 R6589	JIM'S WATER SERVICE	TRANSPORTATION WATER	383.18	252	32
06	2	46450 R6782	JIM'S WATER SERVICE	TRANSPORTATION WATER	730.49	252	32
04	2	46450 A310583	JIM'S WATER SERVICE	HAULED WATER	1,176.15	252	34
04	2	46450 A410741	JIM'S WATER SERVICE	KILL TRUCK	372.60	252	34
04	2	46450 R4194	JIM'S WATER SERVICE	HAULED WATER	541.65	252	34
04	2	46450 R4111	JIM'S WATER SERVICE	HAULED WATER	538.69	252	34
04	2	46450 R4245	JIM'S WATER SERVICE	HAULED WATER	1,402.78	252	34
04	2	46450 R4279	JIM'S WATER SERVICE	HAULED WATER	519.01	252	34

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

NO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	46450 R4325	JIM'S WATER SERVICE	HAULED WATER	159.10	252	34
04	2	83020 122	IZI SERVICE	HAULED WATER	892.73	252	34
05	2	38801 4763	I/W INC	HAUL KCL WATER	1,749.50	252	34
05	2	46450 A511044	JIM'S WATER SERVICE	WATER HAULED	1,061.91	252	34
05	2	46450 A511097	JIM'S WATER SERVICE	WATER HAULED	1,018.44	252	34
05	2	46450 R5421	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,604.76	252	34
05	2	46450 R5422	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,031.81	252	34
05	2	46450 R5530	JIM'S WATER SERVICE	HAULING WATER	372.83	252	34
05	2	46450 R5552	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,212.00	252	34
05	2	46450 R5553	JIM'S WATER SERVICE	TRANSPORTATION WATER	166.86	252	34
05	2	70246 15030	PETRO THERMO CORP	LOADED IBG & PRESSD TO 20	538.20	252	34
06	2	46450 A611175	JIM'S WATER SERVICE	TRANSPORTATION WATER	5,440.19	252	34
04	2	16055 52797	CRC WIRELINE SVC INC	GUN PERFORATING	1,819.16	252	36
04	2	30756 103110	GEO VANN	LOGGING	2,883.40	252	36
04	2	30756 103222	GEO VANN	CEMENT BOND LOG	4,035.82	252	36
04	2	30756 103223	GEO VANN	DEPTH CHARGE TO 6300'	1,097.20	252	36
04	2	36012 382187	GEARHART INDUSTRIES INC	CORRELATION GAMMA RAY LOG	5,967.52	252	36
04	2	45775 10019A	JARREL SERVICE	FISH 7/8X4' VANN BAR	865.80	252	36
05	2	30756 103312	GEO VANN	4" JET CSG PERFORATION	1,721.20	252	36
05	2	30756 103368	GEO VANN	LOGGING	1,590.78	252	36
05	2	30756 103512	GEO VANN	CORRELATION GAMMA RAY	1,574.56	252	36
05	2	30756 103576	GEO VANN	GAMMA RAY LOGGING W/COLLA	2,031.07	252	36
05	2	30756 2922	GEO VANN	PERFORATING	6,200.48	252	36
05	2	30756 2961	GEO VANN	PERFORATING	12,827.36	252	36
05	2	45775 10037A	JARREL SERVICE	BAKER FWG BLANKING PLUG	998.71	252	36
05	2	55620 0581387	N L MCCULLOUGH	PERFORATING	2,178.83	252	36
06	2	30756 006571	GEO VANN	REFUND 4" 24' COMPLETION	2,143.09-	252	36
06	2	30756 103655	GEO VANN	PERFORATING	2,212.08	252	36
06	2	30756 103743	GEO VANN	GAMMA RAY CORRELATION	29.95	252	36
06	2	55620 0680399	N L MCCULLOUGH	EQUIP RENTAL, SINKER BARS	1,709.70	252	36
03	2	34012 5910	H & W ENTERPRISES	LOAD UP 5 1/2 CSG	759.20	252	38
04	2	19360 0513194	DOWELL CHEMICALS	ACIDIZING	5,729.55	252	38
04	2	19360 0513196	DOWELL CHEMICALS	ACIDIZING	3,465.70	252	38
04	2	19360 0513198	DOWELL CHEMICALS	ACIDIZING	1,068.84	252	38

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

NO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	46450 R4325	JIM'S WATER SERVICE	HAULED WATER	159.10	252	34
04	2	83020 122	IZI SERVICE	HAULED WATER	892.73	252	34
05	2	38881 4763	I/W INC	HAUL KCL WATER	1,749.50	252	34
05	2	46450 A511044	JIM'S WATER SERVICE	WATER HAULED	1,061.91	252	34
05	2	46450 A511097	JIM'S WATER SERVICE	WATER HAULED	1,018.44	252	34
05	2	46450 R5421	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,604.76	252	34
05	2	46450 R5422	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,031.81	252	34
05	2	46450 R5530	JIM'S WATER SERVICE	HAULING WATER	372.83	252	34
05	2	46450 R5552	JIM'S WATER SERVICE	TRANSPORTATION WATER	1,212.00	252	34
05	2	46450 R5553	JIM'S WATER SERVICE	TRANSPORTATION WATER	166.86	252	34
05	2	70246 15030	PETRO THERMO CORP	LOADED 18G & PRESSD TO 20	538.20	252	34
06	2	46450 A611175	JIM'S WATER SERVICE	TRANSPORTATION WATER	5,440.19	252	34
04	2	16055 52797	CRC WIRELINE SVC INC	GUN PERFORATING	1,819.16	252	36
04	2	30756 103110	GEO VANN	LOGGING	2,883.40	252	36
04	2	30756 103222	GEO VANN	CEMENT BOND LOG	4,035.82	252	36
04	2	30756 103223	GEO VANN	DEPTH CHARGE TO 6300'	1,097.20	252	36
04	2	36012 382187	GEARHART INDUSTRIES INC	CORRELATION GAMMA RAY LOG	5,967.52	252	36
04	2	45775 10019A	JARREL SERVICE	FISH 7/8X4' VANN BAR	865.80	252	36
05	2	30756 103312	GEO VANN	4" JET CSG PERFORATION	1,721.20	252	36
05	2	30756 103368	GEO VANN	LOGGING	1,590.78	252	36
05	2	30756 103512	GEO VANN	CORRELATION GAMMA RAY	1,574.56	252	36
05	2	30756 103576	GEO VANN	GAMMA RAY LOGGING W/COLLA	2,031.07	252	36
05	2	30756 2922	GEO VANN	PERFORATING	6,200.48	252	36
05	2	30756 2961	GEO VANN	PERFORATING	12,827.36	252	36
05	2	45775 10037A	JARREL SERVICE	BAKER FWG BLANKING PLUG	998.71	252	36
05	2	55620 0581387	N L MCCULLOUGH	PERFORATING	2,178.83	252	36
06	2	30756 006571	GEO VANN	REFUND 4" 24' COMPLETION	2,143.09-	252	36
06	2	30756 103655	GEO VANN	PERFORATING	2,212.08	252	36
06	2	30756 103743	GEO VANN	GAMMA RAY CORRELATION	29.95	252	36
06	2	55620 0680399	N L MCCULLOUGH	EQUIP RENTAL, SINKER BARS	1,709.70	252	36
03	2	34012 5910	H & W ENTERPRISES	LOAD UP 5 1/2 CSG	759.20	252	38
04	2	19360 0513194	DOWELL CHEMICALS	ACIDIZING	5,729.55	252	38
04	2	19360 0513196	DOWELL CHEMICALS	ACIDIZING	3,465.70	252	38
04	2	19360 0513198	DOWELL CHEMICALS	ACIDIZING	1,068.84	252	38

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE		DESCRIPTION		AMOUNT	GEN	SUB
04	2	19360	0513199	DOWELL CHEMICALS	ACIDIZING	1,961.17	252	38
04	2	19360	5131934	DOWELL CHEMICALS	ACIDIZING	1,502.82	252	38
04	2	19360	5131937	DOWELL CHEMICALS	ACIDIZING	4,271.45	252	38
04	2	19360	5210733	DOWELL CHEMICALS	TOOL SERVICE	1,214.46	252	38
04	2	30756	103224	GEO VANN	PERFORATING	1,968.36	252	38
04	2	30756	103235	GEO VANN	REPAIR ON 45 A4 BAKER PKR	584.20	252	38
05	2	19360	0513199	DOWELL CHEMICALS	ACIDIZING	2,733.92	252	38
05	2	19360	0513201	DOWELL CHEMICALS	ACIDIZING	6,577.82	252	38
05	2	30756	103311	GEO VANN	REPAIR ON 45 A4 BAKER PKR	502.62	252	38
05	2	30756	103595	GEO VANN	REPAIR 45A4 LOK-SET PKR	511.71	252	38
05	2	34060	289334	HALLIBURTON SERVICES	FRAC UNITS	15,073.96	252	38
05	2	34060	289856	HALLIBURTON SERVICES	ACIDIZE	13,593.69	252	38
05	2	34060	440151	HALLIBURTON SERVICES	TOOLS & ACIDIZE	7,666.70	252	38
05	2	52730	2602041	LIQUID CARBONIC CORP	PACKER SERVICE	2,576.74	252	38
06	2	03472	5705041	ALLSTATE CONST	CO2 BULK	4,195.80	252	38
06	2	07720	61588	BAKER PACKERS COMPLETIO	PACKER RENTAL	166.81	252	38
06	2	30756	103716	GEO VANN	RAN RECEPTACLE TAILPIPE	1,508.00	252	38
06	2	30756	103891	GEO VANN	REPAIR BKR RECEPTACLE	260.00	252	38
10	1			D GIRAND WELL SUPERVISION		136.90	252	40
01	2		123181	R NOKES WELL SUPERVISION		480.10	252	40
01	2		123181	BOB WMS WELL SUPERVISION		187.10	252	40
01	2		123181	D GIRAND WELL SUPERVISION		183.57	252	40
01	2		123181	L CARPENTER WELL SUPERVISION		64.50	252	40
02	2		131	D GIRAND WELL SUPERVISION		56.31	252	40
02	2		131	L CARPENTER WELL SUPERVISION		97.22	252	40
02	2		282	D GIRAND WELL SUPERIVISON		1,062.56	252	40
04	2		228822	L CARPENTER WELL SUPERVISION		773.61	252	40
04	2		228825	R NOKES WELLSITE SUPERVISION		245.27	252	40
04	2		331821	L CARPENTER WELL SUPERVISION		948.68	252	40
04	2		331822	R NOKES WELL SUPERVISION		95.45	252	40
04	2		331824	D GIRAND WELL SUPERVISION		2,218.39	252	40
04	2		331827	M YOUNG WELL SUPERVISION		502.03	252	40
04	2		430823	D GIRAND WELL SUPERVISION		1,450.91	252	40
04	2		430825	R NOKES WELL SUPERVISION		1,756.21	252	40

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	19360 0513199	DOWELL CHEMICALS	ACIDIZING	1,961.17	252	38
04	2	19360 5131934	DOWELL CHEMICALS	ACIDIZING	1,502.82	252	38
04	2	19360 5131937	DOWELL CHEMICALS	ACIDIZING	4,271.45	252	38
04	2	19360 5210733	DOWELL CHEMICALS	TOOL SERVICE	1,214.46	252	38
04	2	30756 103224	GEO VANN	PERFORATING	1,968.36	252	38
04	2	30756 103235	GEO VANN	REPAIR ON 45 A4 BAKER PKR	584.20	252	38
05	2	19360 0513199	DOWELL CHEMICALS	ACIDIZING	2,733.92	252	38
05	2	19360 0513201	DOWELL CHEMICALS	ACIDIZING	6,577.82	252	38
05	2	30756 103311	GEO VANN	REPAIR ON 45 A4 BAKER PKR	502.62	252	38
05	2	30756 103595	GEO VANN	REPAIR 45A4 LOK-SET PKR	511.71	252	38
05	2	34060 289334	HALLIBURTON SERVICES	FRAC UNITS	15,073.96	252	38
05	2	34060 289856	HALLIBURTON SERVICES	ACIDIZE	13,593.69	252	38
05	2	34060 440151	HALLIBURTON SERVICES	TOOLS & ACIDIZE	7,666.70	252	38
05	2	52730 2602041	LIQUID CARBONIC CORP	PACKER SERVICE	2,576.74	252	38
06	2	03472 5705041	ALLSTATE CONST	CO2 BULK	4,195.80	252	38
06	2	07720 61588	BAKER PACKERS COMPLETIO	PACKER RENTAL	166.81	252	38
06	2	30756 103716	GEO VANN	RAN RECEPTACLE TAILPIPE	1,508.00	252	38
06	2	30756 103891	GEO VANN	REPAIR BKR RECEPTACLE	260.00	252	38
10	1		D GIRAND WELL SUPERVISION		136.90	252	40
01	2	123181	R NOKES WELL SUPERVISION		480.10	252	40
01	2	123181	BOB WMS WELL SUPERVISION		187.10	252	40
01	2	123181	D GIRAND WELL SUPERVISION		183.57	252	40
01	2	123181	L CARPENTER WELL SUPERVISION		64.50	252	40
02	2	131	D GIRAND WELL SUPERVISION		56.31	252	40
02	2	131	L CARPENTER WELL SUPERVISION		97.22	252	40
02	2	282	D GIRAND WELL SUPERIVISON		1,062.56	252	40
04	2	228822	L CARPENTER WELL SUPERVISION		773.61	252	40
04	2	228825	R NOKES WELLSITE SUPERVISION		245.27	252	40
04	2	331821	L CARPENTER WELL SUPERVISION		948.68	252	40
04	2	331822	R NOKES WELL SUPERVISION		95.45	252	40
04	2	331824	D GIRAND WELL SUPERVISION		2,218.39	252	40
04	2	331827	M YOUNG WELL SUPERVISION		502.03	252	40
04	2	430823	D GIRAND WELL SUPERVISION		1,450.91	252	40
04	2	430825	R NOKES WELL SUPERVISION		1,756.21	252	40

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	430826	M YOUNG WELL SUPERVISION		1,958.58	252	40
05	2	34050 290020	HALLIBURTON SERVICES	CO2 FRAC	21,421.78	252	40
06	2	531821	D GIRAND WELL SUPERVISION		371.96	252	40
06	2	531823	N YOUNG WELL SUPERVISION		4,727.39	252	40
04	2	34060 254561	HALLIBURTON SERVICES	SQUEEZE PERFS	5,594.07	252	42
04	2	34060 254748	HALLIBURTON SERVICES	5 1/2 EZ DRILL-SQUEEZE PE	4,981.02	252	42
05	2	30756 103369	GEO VANN	BRIDGE PLUG SETTING SERVI	4,507.78	252	42
12	1		OH CHARGES FOR DEC 31 DAYS		3,550.00	252	44
12	1	83023 A8669	T & C TANK RENTAL	INSTALLED ANCHORS	461.61	252	44
02	2		FEB DRLG OVERHEAD 28 DAYS		3,550.00	252	44
02	2	1181	BILLING TO CORRECT WI INTANGIBLE		461.61	252	44
02	2	1281	BILLING TO CORRECT WI INTANGIBLE		37,400.60	252	44
02	2	182	BILLING TO CORRECT WI INTANGIBLE		915.27	252	44
03	2	17710 R347	DAWN TRUCKING	HAULED RIG CATWALK ETC	4,711.32	252	44
03	2	21210 200	ED'S PIPE RENTAL	RENTAL 1" PIPE	796.64	252	44
03	2	73661 1666	RED LAKE TRUCKING INC	HAULED DOG HOUSE PROPANE	639.90	252	44
03	2	83023 A9153	T & C TANK RENTAL	GUYLINE ANCHORS	490.88	252	44
04	2	43082	TO CORRECT INT 10-31-81		136.90	252	44
04	2	15260 445	COMPLETION RENTALS	CORRECTION	599.32-	252	44
04	2	15260 445	COMPLETION RENTALS	COMPLETION UNIT	599.32	252	44
04	2	15260 445	COMPLETION RENTALS	COMPLETION UNIT	5,299.32	252	44
04	2	15260 446	COMPLETION RENTALS	COMPLETION UNIT	4,572.75	252	44
04	2	15260 468	COMPLETION RENTALS	EQUIPMENT RENTAL	4,959.52	252	44
04	2	34012 5943	H & W ENTERPRISES	HAULED TUBING 227 JTS	715.57	252	44
04	2	45775 10014A	JARREL SERVICE	FISH 7/8 X4' VANN BAR @ 6	1,202.24	252	44
04	2	73400 2135	RAPID FLO INC	PU PIPE	499.20	252	44
05	2	08610 83865	BEARING SERVICE & SPPLY	25# BUCKET API THREAD JT	40.04	252	44
05	2	16055 53689	CRC WIRELINE SVC INC	RADIOACTIVE PUMP IN TRACE	5,228.35	252	44
05	2	19360 5210748	DOWELL CHEMICALS	EQUIPMENT RENTAL	1,214.46	252	44
05	2	19360 5210757	DOWELL CHEMICALS	EQUIPMENT RENTAL	1,214.46	252	44
05	2	34012 6060	H & W ENTERPRISES	LOAD APPR 12,000' 2 1/16	670.80	252	44
05	2	46450 A510925	JIM'S WATER SERVICE	150 BBLS WATER	926.33	252	44
05	2	46450 A510978	JIM'S WATER SERVICE	WATER TRUCK & EQUIP RENTA	438.84	252	44
05	2	57820 3670	BO MONK	TUBING TESTED	2,828.48	252	44

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
04	2	430826	M YOUNG WELL SUPERVISION		1,958.58	252	40
05	2	34060 290020	HALLIBURTON SERVICES	CO2 FRAC	21,421.78	252	40
06	2	531821	D GIRAND WELL SUPERVISION		371.96	252	40
06	2	531823	N YOUNG WELL SUPERVISION		4,727.39	252	40
04	2	34060 254561	HALLIBURTON SERVICES	SQUEEZE PERFS	5,594.07	252	42
04	2	34060 254748	HALLIBURTON SERVICES	5 1/2 EZ DRILL-SQUEEZE PE	4,981.02	252	42
05	2	30756 103369	GEO VANN	BRIDGE PLUG SETTING SERVI	4,507.78	252	42
12	1		OH CHARGES FOR DEC 31 DAYS		3,550.00	252	44
12	1	83023 A8669	T & C TANK RENTAL	INSTALLED ANCHORS	461.61	252	44
02	2		FEB DRLG OVERHEAD 28 DAYS		3,550.00	252	44
02	2	1181	BILLING TO CORRECT WI INTANGIBLE		461.61	252	44
02	2	1281	BILLING TO CORRECT WI INTANGIBLE		37,400.60	252	44
02	2	182	BILLING TO CORRECT WI INTANGIBLE		915.27	252	44
03	2	17710 R347	DAWN TRUCKING	HAULED RIG CATWALK ETC	4,711.32	252	44
03	2	21210 200	ED'S PIPE RENTAL	RENTAL 1" PIPE	796.64	252	44
03	2	73661 1666	RED LAKE TRUCKING INC	HAULED DOG HOUSE PROPANE	639.90	252	44
03	2	83023 A9153	T & C TANK RENTAL	GUYLINE ANCHORS	490.88	252	44
04	2	43082	TO CORRECT INT 10-31-81		136.90	252	44
04	2	15260 445	COMPLETION RENTALS	CORRECTION	599.32-	252	44
04	2	15260 445	COMPLETION RENTALS	COMPLETION UNIT	599.32	252	44
04	2	15260 445	COMPLETION RENTALS	COMPLETION UNIT	5,299.32	252	44
04	2	15260 446	COMPLETION RENTALS	COMPLETION UNIT	4,572.75	252	44
04	2	15260 468	COMPLETION RENTALS	EQUIPMENT RENTAL	4,959.52	252	44
04	2	34012 5943	H & W ENTERPRISES	HAULED TUBING 227 JTS	715.57	252	44
04	2	45775 10014A	JARREL SERVICE	FISH 7/8 X4' VANN BAR @ 6	1,202.24	252	44
04	2	73406 2135	RAPID FLO INC	PU PIPE	499.20	252	44
05	2	08610 83865	BEARING SERVICE & SPPLY	25# BUCKET API THREAD JT	40.04	252	44
05	2	16055 53689	CRC WIRELINE SVC INC	RADIOACTIVE PUMP IN TRACE	5,228.35	252	44
05	2	19360 5210748	DOWELL CHEMICALS	EQUIPMENT RENTAL	1,214.46	252	44
05	2	19360 5210757	DOWELL CHEMICALS	EQUIPMENT RENTAL	1,214.46	252	44
05	2	34012 6060	H & W ENTERPRISES	LOAD APPR 12,000' 2 1/16	670.80	252	44
05	2	46450 A510925	JIM'S WATER SERVICE	150 BBLS WATER	926.33	252	44
05	2	46450 A510978	JIM'S WATER SERVICE	WATER TRUCK & EQUIP RENTA	438.84	252	44
05	2	57820 3670	BO MONK	TURING TESTED	2,828.48	252	44

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
05	2	71330 0052582	FRED POOL OPERATING CO	EQUIP RENTAL	351.90	252	44
05	2	88130 16512	UNION SUPPLY	THREAD COMPOUND	45.64	252	44
06	2	MTL181	RENTAL ON TBG RACKS & CATWALK		678.40	252	44
06	2	15260 603	COMPLETION RENTALS	RENTAL ON BLOW OUT PREVEN	4,087.94	252	44
06	2	34012 6093	H & W ENTERPRISES	2 7/8 PIPE 225 JTS	1,098.24	252	44
06	2	45775 10044A	JARREL SERVICE	SHORT STRING STUNG INTO P	2,089.36	252	44
					411,276.98 *		
		TANG DRLG & COMPLETION					
03	2	08610 82636	BEARING SERVICE & SPPLY	348.60' 13 3/8 SURFACE CS	7,586.88	260	01
03	2	08610 82708	BEARING SERVICE & SPPLY	RING GASKET	246.84	260	01
03	2	08610 82675	BEARING SERVICE & SPPLY	1537.95' 8 5/8 CSG	20,507.35	260	03
03	2	MTL112	41.15' 5 1/2 15.50# LT&C J55 MKR		524.94	260	05
03	2	MTL112	3046.05' 5 1/2 15.50# LT&C J55		27,754.08	260	05
04	2	08610 83060	BEARING SERVICE & SPPLY	3569.05' 5 1/2" R-3 CASIN	32,575.19	260	05
06	2	MTL186	283.50' 5 1/2 15.5# LT&C J55 CSG		2,810.85-	260	05
06	2	MTL178	MISC TUBING CROSS OVERS		1,654.28	260	07
06	2	MTL178	80' 2 3/8 X 20' BLAST JOINTS		2,155.92	260	07
06	2	MTL178	10953.41' 2 1/16 3.25# DWS N80		52,957.55	260	07
06	2	MTL185	8' 2-2 1/16 DWS TBG SUBS		651.78	260	07
03	2	08610 82637	BEARING SERVICE & SPPLY	CSG HEAD AND BALL VALVE	1,657.88	260	09
03	2	MTL120	TBG HEAD WITH ACCYS		3,838.77	260	11
03	2	MTL124	USED 2 7/8 XMAS TREE		7,235.06	260	13
03	2	08610 82958	BEARING SERVICE & SPPLY	GULFCO CHOKE ASSY	890.46	260	13
04	2	08610 83183	BEARING SERVICE & SPPLY	TBG CPLG, BALL VALVE NIPP	2,427.64	260	13
05	2	08610 CM83823	BEARING SERVICE & SPPLY	CREDIT GULFCO CHOKE LESS	395.20-	260	13
05	2	08610 83813	BEARING SERVICE & SPPLY	4-2" 45 DEG 3000# FS ELL,	274.93	260	13
05	2	08610 83823	BEARING SERVICE & SPPLY	AB-100 GULFCO CHOKE SEAT	718.68	260	13
05	2	08610 83877	BEARING SERVICE & SPPLY	GULFCO VLV, RING GASKET,	4,362.84	260	13
06	2	MTL178	DUAL COMPLETION XMAS TREE		15,008.76	260	13
06	2	MTL180	2 7/8 XMAS TREE USED		7,235.06-	260	13
06	2	MTL178	BAKER DUAL PACKER MODEL K		3,297.06	260	15
06	2	MTL178	4 1/2 X 2 3/8 BAKER FL RECEPTACLE		2,466.75	260	15
06	2	MTL178	BAKER MODEL R SNAP LATCH NIPPLE		602.94	260	15

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
05	2	71330 0052582	FRED POOL OPERATING CO	EQUIP RENTAL	351.90	252	44
05	2	88130 16512	UNION SUPPLY	THREAD COMPOUND	45.64	252	44
06	2	MTL181	RENTAL ON TBG RACKS & CATWALK		678.40	252	44
06	2	15260 603	COMPLETION RENTALS	RENTAL ON BLOW OUT PREVEN	4,087.94	252	44
06	2	34012 6093	H & W ENTERPRISES	2 7/8 PIPE 225 JTS	1,098.24	252	44
06	2	45775 10044A	JARREL SERVICE	SHORT STRING STUNG INTO P	2,089.36	252	44
					411,276.98 *		
			TANG DRLG & COMPLETION				
03	2	08610 82636	BEARING SERVICE & SPPLY	348.60' 13 3/8 SURFACE CS	7,586.88	260	01
03	2	08610 82708	BEARING SERVICE & SPPLY	RING GASKET	246.84	260	01
03	2	08610 82675	BEARING SERVICE & SPPLY	1537.95' 8 5/8 CSG	20,507.35	260	03
03	2	MTL112	41.15' 5 1/2 15.50# LT&C J55 MKR		524.94	260	05
03	2	MTL112	3046.05' 5 1/2 15.50# LT&C J55		27,754.08	260	05
04	2	08610 83060	BEARING SERVICE & SPPLY	3569.05' 5 1/2" R-3 CASIN	32,575.19	260	05
06	2	MTL186	283.50' 5 1/2 15.5# LT&C J55 CSG		2,810.85-	260	05
06	2	MTL178	MISC TUBING CROSS OVERS		1,654.28	260	07
06	2	MTL178	80' 2 3/8 X 20' BLAST JOINTS		2,155.92	260	07
06	2	MTL178	10953.41' 2 1/16 3.25# DWS N80		52,957.55	260	07
06	2	MTL185	8' 2-2 1/16 DWS TBG SUBS		651.78	260	07
03	2	08610 82637	BEARING SERVICE & SPPLY	CSG HEAD AND BALL VALVE	1,657.88	260	09
03	2	MTL120	TBG HEAD WITH ACCYS		3,838.77	260	11
03	2	MTL124	USED 2 7/8 XMAS TREE		7,235.06	260	13
03	2	08610 82958	BEARING SERVICE & SPPLY	GULFCO CHOKE ASSY	890.46	260	13
04	2	08610 83183	BEARING SERVICE & SPPLY	TBG CPLG, BALL VALVE NIPP	2,427.64	260	13
05	2	08610 CM83823	BEARING SERVICE & SPPLY	CREDIT GULFCO CHOKE LESS	395.20-	260	13
05	2	08610 83813	BEARING SERVICE & SPPLY	4-2" 45 DEG 3000# FS ELL,	274.93	260	13
05	2	08610 83823	BEARING SERVICE & SPPLY	AB-100 GULFCO CHOKE SEAT	718.68	260	13
05	2	08610 83877	BEARING SERVICE & SPPLY	GULFCO VLV, RING GASKET,	4,362.84	260	13
06	2	MTL178	DUAL COMPLETION XMAS TREE		15,008.76	260	13
06	2	MTL180	2 7/8 XMAS TREE USED		7,235.06-	260	13
06	2	MTL178	BAKER DUAL PACKER MODEL K		3,297.06	260	15
06	2	MTL178	4 1/2 X 2 3/8 BAKER EL RECEPTACLE		2,466.75	260	15
06	2	MTL178	BAKER MODEL J SNAP LATCH NIPPLE		602.94	260	15

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
2	MTL178	BAKER 45-A4 LOK-SET PACKER		1,538.94	260	15
1	00458 1296	A-1 SIGN ENGRAVERS	SIGNS	39.29	260	17
2	1281	BILLING TO CORRECT WI EQUIP		39.29	260	17
2	MTL118	2" GULFCO ADJ CHOKE		667.85-	260	17
2	08610 83420	BEARING SERVICE & SPPLY	ASHCROFT GAUGE, NIPPLE ET	182.47	260	17
2	08610 CM83902	BEARING SERVICE & SPPLY	BALL VALVE, SWAGE NIPPLE	224.14-	260	17
2	08610 83845	BEARING SERVICE & SPPLY	GULFCO CAGE NIPPLE ETC	293.51	260	17
2	08610 83902	BEARING SERVICE & SPPLY	GRAY HAMMER UNION	683.44	260	17
2	30756 103371	GEO VANN	2 3/8 EUE 8RD N80 10' SUB	1,230.83	260	17
2	30756 103541	GEO VANN	2 3/8 EUE J55 TBG	688.38	260	17
2	03976 4703	ANDERSON WATKINS	CHOKE NIPPLE	72.95	260	17
				182,832.58 *		
		LEASE EQUIPMENT				
2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92	261	37
2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92	261	37
2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92-	261	37
2	MIL161	3" METER RUN		1,169.92-	261	37
				.00 *		
		LEASE OPERATING EXPENSE				
1		ORLG OVERHEAD NOV 1 DAY		118.33	270	03
2		JANUARY OVERHEAD		3,550.00	270	03
2	1281	BILLING TO CORRECT WI OPERATE EXP		48.44	270	57
2	182	BILLING TO CORRECT WI OPERATE EXP		4,098.22	270	57
2	43082	TO CORRECT INT 11-30-81		118.33	270	57
2	10401 7390	SALLY W BOYD	TRANSCRIPT OF HEARING	336.00	270	57
2	051382	SALLY BODY CORR DDB POSTING		215.80-	270	57
1	08090 18802	BAKER STEVENS	12 GAL ANTI-FREEZE	48.44	270	74
2	74620 13075	RILEY OIL CO INC	PROPANE	481.90	270	95
2	74620 13795	RILEY OIL CO INC	PROPANE	66.32	270	95
2	74620 14129	RILEY OIL CO INC	REGULAR	81.12	270	95
2	71330 178	FRED POOL OPERATING CO	FUEL FOR PUMP	194.53	270	95
				8,925.83 *		

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
06	2	MTL178	BAKER 45-A4 LOK-SET PACKER		1,538.94	260	15
01	1	00458 1296	A=L SIGN ENGRAVERS	SIGNS	39.29	260	17
02	2	1281	BILLING TO CORRECT WI EQUIP		39.29	260	17
03	2	MTL118	2" GULFCO ADJ CHOKE		667.85-	260	17
04	2	08610 83420	BEARING SERVICE & SPPLY	ASHCROFT GAUGE, NIPPLE ET	182.47	260	17
05	2	08610 CM83902	BEARING SERVICE & SPPLY	BALL VALVE, SWAGE NIPPLE	224.14-	260	17
05	2	08610 83845	BEARING SERVICE & SPPLY	GULFCO CAGE NIPPLE ETC	293.51	260	17
05	2	08610 83902	BEARING SERVICE & SPPLY	GRAY HAMMER UNION	683.44	260	17
05	2	30756 103371	GEO VANN	2 3/8 EUE 8RD N80 10' SUB	1,230.83	260	17
05	2	30756 103541	GEO VANN	2 3/8 EUE J55 T&C	688.38	260	17
06	2	03976 4703	ANDERSON WATKINS	CHOKE NIPPLE	72.95	260	17
					182,832.58 *		
			LEASE EQUIPMENT				
04	2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92	261	37
04	2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92	261	37
04	2	MTL149	3" METER RUN W/SWAGES WELDED ON		1,169.92-	261	37
05	2	MTL161	3" METER RUN		1,169.92-	261	37
					.00 *		
			LEASE OPERATING EXPENSE				
11	1		DRLG OVERHEAD NOV 1 DAY		118.33	270	03
01	2		JANUARY OVERHEAD		3,550.00	270	03
02	2	1281	BILLING TO CORRECT WI OPERATE EXP		48.44	270	57
02	2	182	BILLING TO CORRECT WI OPERATE EXP		4,098.22	270	57
04	2	43082	TO CORRECT INT 11-30-81		118.33	270	57
04	2	10401 7390	SALLY W BOYD	TRANSCRIPT OF HEARING	336.00	270	57
05	2	051382	SALLY BODY CORR DOB POSTING		215.80-	270	57
01	1	08090 18802	BAKER STEVENS	12 GAL ANTI-FREEZE	48.44	270	74
02	2	74620 13075	RILEY OIL CO INC	PROPANE	481.90	270	95
02	2	74620 13795	RILEY OIL CO INC	PROPANE	66.32	270	95
03	2	74620 14129	RILEY OIL CO INC	REGULAR	81.12	270	95
04	2	71330 178	FRED POOL OPERATING CO	FUEL FOR PUMP	194.53	270	95
					8,925.83 *		

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

NO	YR	REFERENCE	DESCRIPTION	AMOUNT	GEN	SUB
				1,023,114.17 **		

LEASE-0914200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION	AMOUNT	GEN	SUB
				1,023,114.17 **		

LEASE-091200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99999-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
			INTANGIBLES				
07	3	072882	J R SERVICES		6,067.35- 6,067.35-*	250	18
			IDC FORMATION EVALUATION				
07	4	24670 342215	ERCO PETROLEUM SERVICES	COMPLETIONS RECOMMENDATIO	8,450.00 8,450.00 *	251	26
			INTANGIBLE COMPLETION COSTS				
07	3	022882	BRYLOGGING 16 DAYS LOGGING		8,180.78	252	36
07	3	072082	14 DAYS DRLG OH June		1,872.03	252	44
					10,052.81 *		
					12,435.46 **		

LEASE-091&200-SEYMOUR STATE #1
COUNTY-005-CHAVES
STATE-030-NEW MEXICO
OPERATOR-99980-HARVEY E YATES CO

MO	YR	REFERENCE	DESCRIPTION		AMOUNT	GEN	SUB
			INTANGIBLES				
07	3	072882	J R SERVICES		6,067.35- 6,067.35-*	250	18
			IDC FORMATION EVALUATION				
07	4	24670 342215	ERCO PETROLEUM SERVICES	COMPLETIONS RECOMMENDATIO	8,450.00 8,450.00 *	251	26
			INTANGIBLE COMPLETION COSTS				
07	3	022882	BRYLOGGING 16 DAYS LOGGING		8,180.78	252	36
07	3	072082	14 DAYS DRLG OH June		1,872.03	252	44
					10,052.81 *		
					12,435.46 **		

DAILY DRILLING REPORTS

HARVEY E. YATES COMPANY
SEYMORE STATE #1
(Code # 9142)

Page #1

660' ~~FNL~~ W 1980' ~~FWL~~ N
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

11/23/81 MI & RU Cable tool.

11/24/81 MI & RU Cable Tool.

11/25/8 RU Cable Tool.

11/26/81 to 11/30/81 RU Cable Tool.

12/1/81 Day 1, Operation - Drlg, Depth - 20', Progress - 20'. Drlg w/FW. Drlg 7 hrs, RU 1 hr. SPUDDED @ 9:30 AM, 11/30/81.

12/2/81 No Report.

12/3/81 No Report.

12/4/81 No Report.

12/5/81 to 12/7/81 No Report.

12/8/81 No Report.

12/9/81 No Report.

12/10/81 No report.

12/11/81 Operation - Drlg, Depth - 35', Progress - 15', Formation - surf rock & anhy. Drlg w/FW.

12/12/81 to 12/13/81 No Report.

12/15/81 No Report.

12/16/81 Operation - Drlg, Depth - 45', Progress - 10', Formation- Surf rock & Anhy.

12/17/81 No Report.

12/18/81 No Report.

BEFORE EXAMINER
OIL CONSERVATION DIVISION
Applicant's EXHIBIT 1
CASE 7657
SUBMITTED BY HEYCO
HEARING DATE Aug 26, 1982
Sept 22, 1982

DAILY DRILLING REPORTS

HARVEY E. YATES COMPANY
SEYMORE STATE #1
(Code #9142)

660' FNL & 1980' FWL,
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

12/19/81 to 12/21/81 — No Report.

12/22/81 — No Report.

12/23/81 — No Report.

12/24/81 to 12/28/81 — No Report.

12/29/81 — Operation - Drlg, Depth - 60', Progress - 15', Formation - Surf rock & anhy.

12/30/81 to 1/15/82 — No Report.

1/16/82 — Operation - Drlg, Depth - 67', Progress - 7', Formation - surf rock & anhy.

1/17/82 to 1/29/82 — No Report.

1/30/82 — Operation - Drlg, Depth - 64', Progress - 4', Formation - surf rock & anhy.

1/31/82 to 2/09/82 — No Report.

2/10/82 — Operation - RD Cable Tool Unit, Depth - 64', No Progress, Formation - Surf rock & anhy. Prep to MIRT.

2/11/82 — MIR~~T~~ Rig

2/12/82 — Day 2, Operation - Drlg, Depth - 167' (Corrected), Progress - 97', Formation - Surf rock & Red Bed. MW 9#, Vis 31. Strtd drlg @ 9:00 PM, 2/11/82. Drlg 9-3/4 hrs, Repairs 1/4 hr, RU 14 hrs.

Horizon Drilling Co.

HARVEY E. YATES COMPANY
SEYMOUR STATE #1
(Code #9142)

660' FNL & 1980' FWL,
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

2/13/82 Day 2, Operation - WOC, Depth - 352', Progress - 237', Formation - Surf Rock & Red Bed. Drlg w/FW. Trips 3-1/4 hrs, SR 1/2 hr, Circ 3/4 hr, Run csg & cmt 2-1/2 hrs, WOC 8-1/4 hrs, Drlg plug 1-1/2 hrs. Ran 9 jts (368') 13-3/8" 48# new csg & set @ 354'. Cmtd w/3400 sx Class "C" plus 2% CaCl. Cmt circ. PD @ 6:45 PM, 2/12/82.

2/14/82 Day 3, Operation - Drlg, Depth - 1210', Progress - 858', Formation - Anhy & Sd. Dev - 3/4 Deg @ 1007'. Drlg w/FW. Drlg 21 hrs, Trips 1/2 hr, Totcos 1/4 hr, SR 1/4 hr, WOC 1-3/4 hrs, WO redi-mix 1/4 hr.

2/15/82 Day 4, Operation - WOC, Depth - 1525', Progress - 315', Formation - Anhy & Li. Drlg w/FW. Ran 38 jts (1528') 8-5/8" J-55 LT&C new csg & set @ 1525'. Cmtd w/450 sx Halliburton Lite plus 1/4# flocele & 2% CaCl; followed by 200 sx Class "C" plus 2% CaCl. PD @ 3:00 AM, 2/15/82. Cmt did not circ. Waiting to run temp survey.

2/16/82 Day 5, Operation - Rng 1" pipe @ 530', Depth - 1525', NO Progress, Formation - Anhy & Li. Drlg w/FW. WO Halliburton 3/4 hr, Run 1" pipe & cmt thru 1" 30' to 530' 23-1/4 hrs.

2/17/82 Day 10, Operation - NU, Depth - 1525', Progress - 0', Formation - Anhy & Li. Drlg w/FW. Run 1" & cmtg 8-5/8" csg 6-3/4 hrs, WOC 3 hrs, WO csghead 5 hrs, NU 5-1/4 hrs, LD 4-1/2" DP 3 hrs. Ran temp survey, TOC @ 630'. Ran 10 stages thru 1" for total of 640 sx cmt to fill @ surf.

2/18/82 Day 11, Operation - Drlg, Depth - 1650', Progress - 125', Formation - Li. Drlg w/FW. Drlg 6 hrs, Trips 6-1/4 hrs, Work BOP 3/4 hr, Drlg cmt & plug 4 hrs, WO wellhead 4-1/2 hrs, Tstd BOP to 1200# for 30 mins 2-1/2 hrs.

2/19/82 Day 12, Operation - DST #1, Depth - 1300', Progress - 150', Formation - Li & Sd. Dev - 1 Deg @ 1800'. Drlg w/wtr 8.6#. Drlg 6-1/2 hrs, Trips 2-1/4 hrs, Totcos 1/4 hr, SR 1/4 hr, Circ 4-1/2 hrs, DST 10-1/2 hrs.
Tool opened @ 6:30 AM w/no blow.

2/20/82 Day 13, Operation - Drlg, Depth - 2087', Progress - 287', Formation - ~~Li & Sd~~. Drlg w/wtr. Drlg 8 hrs, Trips 10 hrs, DST 6 hrs. DST #1: inter 1700' to 1800' (100').

IHP - 828#	90" FFP - 26#-92#
30" IFP - 13#-66#	120" FSIP - 658#-828#
60" ISIP - 500#-526#	FHP - 828#

Rec drlg fluid only. Sampler - drlg fluid. GTS in 45 mins. Tool opened w/good blow, reopened w/very strong blow.

2/21/82 Day 14, Operation - Drlg, Depth - 2729', Progress - 642', Formation - Salt & Sd. Dev - 1/2 Deg @ 2302'. MW 9.2# Vis 28, pH 9. Drlg 23-1/2 hrs, Totcos 1/4 hr, SR 1/4 hr.

2/22/82 Day 15, Operation - Drlg, Depth - 3300', Progress - 571', Formation - Li & Sh. Dev - 3/4 Deg @ 2941'. Drlg w/wtr, pH 8.5. Drlg 23-1/2 hrs, Totcos 1/4 hr, SR 1/4 hr.

[illegible]
[illegible]
SUITE [illegible] SECURITY NATIONAL [illegible]
ROSWELL [illegible]

PROSPECT [illegible] STATE #1
LOCATION [illegible]' FNL & 1830' FWL, SEC 14,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350'
CONTRACTOR COMPLETION - CHASE
****

02/23/82 DAY 16, OPERATION - DRLG, DEPTH - 3430', PROGRESS - 930', FORMATION - LI & SH. DEV - 3/4 DEG @ 3309' & 3800'. DRLG 23 HRS, TOTCOS 3/4 HR, SR 1/4 HR.

02/24/82 DAY 17, OPERATION - DRLG, DEPTH - 4295', PROGRESS - 465', FORMATION - LI. DRLG W/WTR 9.2#, PH 8. DRLG 23-1/2 HRS, SR 1/2 HR.

02/25/82 DAY 18, OPERATION - DRLG, DEPTH - 4447', PROGRESS - 85', FORMATION - LI. DEV - 1 DEG @ 4301'. MW 9#, VIS 31, PH 8. DRLG 12-1/2 HRS, TRIPS 3 HRS, TOTCOS 1/2 HR, CIRC 1-1/2 HR, REPAIRS 1 HR, WASH TO TD 3/4 HR, YELLOW JACKET BOP 1/2 HR.

02/26/82 DAY 19, OPERATION - DRLG, DEPTH - 4636', PROGRESS - 189', FORMATION - SH. MW 9.9#, VIS 38, PH 8.5, WL 18, CL 150,000, SOLIDS 2%. DRLG 23-3/4 HRS, SR 1/4 HR.

02/27/82 DAY 20, OPERATION - DRLG, DEPTH - 4880', PROGRESS - 244', FORMATION - SH. DEV - 3/4 DEG @ 4813'. MW 10.1#, VIS 32, PH 8.5, WL 16, FC 1/32, CL 98,000, SOLIDS 5%. DRLG 23-1/2 HRS, TOTCOS 1/4 HR, SR 1/4 HR.

02/28/82 DAY 21, OPERATION - DRLG, DEPTH - 5118', PROGRESS - 282', FORMATION - SH. MW 10#, VIS 37, PH 9, WL 15, FC 1/32, SOLIDS 3%. DRLG 23-1/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1/4 HR.

03/01/82 DAY 22, OPERATION - DRLG, DEPTH - 5343', PROGRESS - 288', FORMATION - SH. MW 9.9#, VIS 37, PH 8.5, WL 29, FC 2/32, CL 120,000. DEV - 3/4 DEG @ 5300'. DRLG 22-1/2 HRS, TOTCOS 1/2 HR, SR 1/4 HR, REPAIRS 3/4 HR.

03/02/82 DAY 23, OPERATION - DRLG, DEPTH - 5515', PROGRESS - 172', FORMATION - LI & SH. MW 9.1#, VIS 38, PH 8.5, WL 9.6, CL 124,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/03/82 DAY 24, OPERATION - DRLG, DEPTH - 5695', PROGRESS - 180', FORMATION - LI & SH. MW 9.9#, VIS 37, PH 8.5, WL 16, FC 2/32, CL 115,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/04/82 DAY 25, OPERATION - DRLG, DEPTH - 5815', PROGRESS - 140', FORMATION - SH & DOLO. DEV - 3/4 DEG @ 5325'. MW 9.8#, VIS 40, PH 8, WL 16, CL 108,000, SOLIDS 4%. DRLG 21-3/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1-3/4 HRS.

03/05/82 DAY 26, OPERATION - DRLG, DEPTH - 5910', PROGRESS - 95', FORMATION - LI & DOLO. MW 9.8#, VIS 40, PH 8, WL 16, FC 2/32, CL 108,000, SOLIDS 4%. DRLG 13-3/4 HRS, TRIPS 6-1/2 HRS, SR 1/4 HR, CIRC 1/2 HR, WASH TO TD 1/2 HR, CUT DRLG LINE & CHG OIL 2-1/2 HRS.

03/06/82 DAY 27, OPERATION - DRLG, DEPTH - 6013', PROGRESS - 106', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 8, WL 17, FC 2/32, CL 100,000. DRLG 23-3/4 HRS, SR 1/4 HR.

03/07/82 DAY 28, OPERATION - TIH FOR DST #2, DEPTH - 6050', PROGRESS-

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YATES [illegible]
SUITE [illegible] SECURITY NATIONAL [illegible]
ROSWELL, NEW MEXICO

PROSPECT [illegible] STATE #1
LOCATION [illegible] FNL & 1780' FWL, SEC 15,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350'
CONTRACTOR COMPLETION - CHASE
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12', FORMATION - LI & SH. DEV - 1 DEG @ 6030'. MW 9.9#, VIS 45, PH 9.5, WL 15, FC 2/32, CL 98,000. DRLG 6-3/4 HRS, TRIPS 4 HRS, CIRC 6-1/4 HRS, PU TST TOOL 3-1/2 HRS, LAY FLOW LINE 1/2 HR.

03/08/82 DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 43. CIRC 17 HRS, DST #2 7 HRS. INTER FR 5885' TO 6050'.
DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS.

03/09/82 DAY 30, OPERATION - CIRC FOR DST #2, DEPTH - 6140', PROGRESS 90', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 7.5, WL 15, FC 2/32, CL 106,000. DRLG 5-1/2 HRS, TRIPS 11 HRS, CIRC 5-1/2 HRS. DST #3 INTER 6055' TO 6140'.
DST #2: INTER 5885' TO 6050' (165'). TOOL OPENED W/VERY STRONG BLOW, GTS IN 5 MINS. TOOL RE-OPENED W/IMMEDIATE GTS.
IHP - 3091# 30" FFP - 1704#
15" IFP - 1471# 120" FSIP - 2443#
60" ISIP - 2246# FHP - 3104#
1/2" CK. 5.5 MMCF.

03/10/82 DAY 28, OPERATION - TIH W/DST #3, DEPTH - 6140', PROGRESS - 0', FORMATION - LI & SH. DEV - 1 DEG @ 6140'. MW 10#, VIS 42, PH 7.5, WL 7, FC 2/32, CL 106,000. TRIPS 11-3/4 HRS, TOTCUS 1/2 HR, CIRC 2-1/2 HRS, CUT DRLG LINE 1 HR, PU TST TOOL & RIH 3-1/4 HRS. STOPPED @ 5960'. LD TST TOOL, TIH W/BIT TO CIRC.
NOTE - ADDITIONAL INFO ON DST #2. NO FLUID IN SAMPLER, 800 PSI, 2.34 CU FT GAS. 350 PSI ON 1/2" CK. RATE 5.2 MMCFD.

03/11/82 DAY 29, OPERATION - DST #3, DEPTH - 6140', NO PROGRESS, FORMATION - LI & SH. MW 10#, VIS 65, PH 8, WL 7, FC 2/32, CL 110,000. TRIPS 8-1/4 HRS, CIRC 6 HRS, WASH TO BTM 1-3/4 HRS, REPAIR RIG 1-1/2 HRS, DST 6-1/2 HRS. DST #3 INTER FR 6055' TO 6140'.

03/12/82 DAY 30, OPERATION - CIRC FOR DST, DEPTH - 6191', PROGRESS - 51', FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 106,000. DRLG 6-3/4 HRS, SR 1/4 HR, CIRC 2-3/4 HRS, DST #3 14-1/4 HRS. DST #4 FR 6153' TO 6191'. DST #3: INTER 6055' TO 6140' (85'). TOOL OPENED W/VERY GOOD BLOW. GTS IN 4 MINS. RE-OPENED W/GTS IMMEDIATELY, STAB W/450 PSI.
IHP - 3183# 90" FFP - 772#-1057#
30" IFP - 1022#-1164# 120" FSIP - 2325#
60" ISIP - 2325# FHP - 3131#
REC 500' GCM & COND. SAMPLER: 200 CC GCM & COND, 6.69 CU FT GAS, 950 PSI, HRT 113 DEG F.

2.6 mi 11/day

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YATES [illegible]
SOUTH [illegible] NATIONAL [illegible]
[illegible]

PROSPECT [illegible] STATE #1
LOCATION [illegible] FNL & 1980' [illegible], SEC 1[illegible],
T-9S, R-27E, CHAVES CO., NM
PROJECTED TO 6350
CONTRACTOR COMPLETION - CHASE

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03/13/82 DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.

IHP - 3188# 90" FFP - 632#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2258# FHP - 3209#

REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.

DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LU. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.

IHP - 3188# 90" FFP - 632#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2258# FHP - 3209#

REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.

03/14/82 DAY 32, OPERATION - DRLG, DEPTH - 6312', PROGRESS - 121', FORMATION - LI. MW 9.9#, VIS 58, PH 7.5, WL 11, FC 2/32, CL 95,000, SOLIDS 4%. DRLG 16 HRS, TRIPS 4 HRS, REPAIRS 3/4 HR, WASH TO BTM 1-1/4 HRS, BRK DN & LOAD OUT TST TOOLS 2 HRS.

DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 15, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/15/82 DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/16/82 DAY 34, OPERATION - CUT DRLG LINE, DEPTH - 6385' TD, FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 103,000. TRIPS 8-1/2 HRS, CUT OFF DRLG LINE 1-1/2 HRS, DST 5 HRS, WOO 3 HRS, MAKE UP & LD TST TOOL 5 HRS, RU FLARE 1 HR. DST #5: INTER 6350' TO 6385' (35'). TOOL OPENED W/WK BLOW, RE-OPENED W/VERY WEAK BLOW.

IHP - 3269# 90" FFP - 14#-14#
30" IFP - 14#-14# 120" FSIP - 40#
60" ISIP - 40# FHP - 3355#

REC 15' DF. SAMPLER: 50 CC DF, 20 PSI, BHT 118 DEG F.

03/17/82 DAY 35, OPERATION - LOGGING, DEPTH - 6385' TD. MW 10#, VIS

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56; PV 7; WL 10; FC 2/32; CL 10x,000; SOLIDS 6%. TRIPS 5-1/2 HRS, WASH 30' TO BTM 30 MIN, REAM & WASH 3-1/2 HRS C & C MUD 3-1/2 HRS, CMT OPS DRLG LINE 1-1/4 HRS.

03/18/82 DAY 35, OP RATION - RNG 5-1/2" CSG, DEPTH - 6385' TD, FORMATION - GRANITE. MW 9.9#, VIS 60, PH 7, WL 10, FC 2/32, CL 10?,000. TRIPS 4 HRS, CIRC 3 HRS, LD DP 9 HRS, LOGGING 2-1/2 HRS, RUG 5-1/2" CSG 1-1/2 HRS, NU CSG COF & 4 HRS.

03/19/82 DAY 36, OPERATION - WOC, DEPTH - 6385' TD, MW 9.4#, VIS 60, PH 7, WL 10; FC 2/32, CL 106,000. CIRC 2-3/4 HRS, RAN 5-1/2" CSG & CMTG 5-1/4 HRS, WOC 8 HRS. CSG & CMTG DETAIL TO FOLLOW.

03/20/82 DAY 37, OPERATION - WOC & MORT, DEPTH - 6385' TD. NU 2 HRS, WOC 5 HRS. RIG RELEASED @ 2:00 P.M., 3/19/82. CSG DETAIL FOR 3/19/82: RAN 155 JTS (6050.25') 5-1/2" 15.5# J-55 LTEC NEW CSG AND SET @ 6382.22'. CMTD 1ST STAGE W/190 SX CLASS "H" PLUS 1/4# FLOCELE, 0# SALT, 5% HALAD 9, 3/4% CFR-2 & 10% 100 MESH SD. PD & HELD @ 2:10 PM, 3/19/82. 2ND STAGE CMTD W/1300 SX 50/50 POZ 4% PLUS 4% GEL. PLUG DID NOT LAND. TAIL IN W/100 SX CLASS "C" NEAT.

03/21/82 RD & MORT.

03/22/82 WOCU.

03/23/82 WOCU.

03/24/82 WOCU. DROPPED FROM REPORT UNTIL FURTHER NOTICE.

03/28/82 MI & RUCU.

03/29/82 SD FOR SUNDAY.

03/30/82 TALLY IN HOLE W/4-3/4" BIT, 4 DC'S & 2-7/8" TBG. TAGGED PLUG @ 5324'. RU COMPLETION RENTALS REV UNIT, STRT DRLG OUT. PLUG IN CMT. DRLD TO 5353'. SDFN.

03/31/82 START BACK DRLG @ 5353'. DRLD 6000 CMT TO 5489' (DV TOOL). WORK BIT UP & DOWN THROUGH DV TOOL, PRESSURE TST TO 2500 PSI/30 MIN, HELD OK. SDFN.

04/01/82 TALLY IN HOLE TO 3319' PTD. POH W/TBG; GIH W/BIT, CSG SCRAPER, 4 DC'S, & 2-7/8" TBG. TAG UP PBTD @ 6319'. RU REV UNIT & CIRC HOLE W/3% KCL WTR. POH & R/L COMPLETION RENTAL REV EQUIP. SDFN.

04/02/82 RU GSO VANN TO LOG WELL, PBTD 6307'. DV TOOL @ 5504'; TOC @ 2370'. RIH PROD LOGS & SD DUE TO WIND.

04/03/82 DID NOT PERF MISS ZONE; UNABLE TO RUN TBG & PKR BECAUSE OF HIGH WINDS. SD.

04/04/82 PERF'D MISS FORM FR 6073' TO 6077' (4' W/2 SHOTS TOTAL). RIH W/LOK SET PKR, ON/OFF TOOL W/"EL" RECEPTACLE W/1.50" PROFILE, 2-3/8" OD X 4' TBG SUB W/RA MARKER, 2-3/8" EUE X 2-7/8" EUE X-OVER & 2-7/8" TBG. RAN GR/CORRELATION LOG TO POSITION PKR @ 6060'. SPACED OUT & SET PKR W/10,000# COMP.

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COMPLETION - CHAS.

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PSL WIRELINE TRUCK. RU TOP & SD FOR. RU S&B. REC 17 BL& SHOW OF GAS W/ ACM S&B RUN & SDFN.

04/05/82 SD FOR SUNDAY.

04/06/82 RU DOWELL & SPOT 500 GALS 20% MSR-100 ACID. FLUSH W/35 BBLS 3% KCL. (TLTR 44 BBLS) PIP PRESS 0 PSI W/RATE OF 1 BPM; MAX PRESS 2800 PSI W/RATE OF 1/4 BPM. PRESS BRK FR 2800 PSI TO 2000 PSI IN 6 MINS. ISIP 1950#, 5" 550#, 10" 500#, 15" 400# 30" 300#, 45" 150#. RAN 5 S&B RUNS, WELL KICKED OFF & LOADED UP 21 MINS LATER & DIED. CONT TO S&B LOAD BACK. REC 41 BLS. RATE EST @ 1BS ACRD ON 1/2" CK & 26# FTP. SDFN.

04/07/82 RU DOWELL & ACIDIZE W/2400 GALS 20% MSR-100. FLUSH W/35 BBLS 3% KCL. MAX PRESS 3400 PSI @ BALL OUT; PRESS BRK @ 2750 PSI TO 2200 PSI @ 3 BPM. ISIP 900#, 5" 200#, 10" 150#, 15" 100#. S&B REC LOAD & 25 BBLS FORM WTR. SHUT IN. PREP TO RUN TRACER SURVEY.

04/08/82 RU GEARHART & RAN TRACER SURVEY. TRACER SURVEY INDICATED FORM WTR COMING FROM INTVL OF 6081' - 6091'. RD GEARHART; PREPARE TO SQUEEZE OFF. USED 41 BBLS WTR. SDFN.

04/09/82 RU HALLIBURTON EZ DRL SV SQZ PKR ON GEARHART WIRELINE. GIH & SET @ 6030'. POH & RU STINGER ON 2-7/8" TBG & TIH. STING INTO RET. LOAD BACK TO 500 PSI. EST RATE @ 4 BPM @ 1000#. STRTD RIG CLASS "H" CMT W/HALAD .4. SQZD TO 3000# W/26 BBL (150 SX) CMT IN FORM. STING OUT OF RET & LEAVE 2' CMT ON TOP. REV OUT 9 BBLS (APPROX 50 SX) POH & RU TO RUN 4 DC'S & BIT IN HOLE. SDFN.

04/10/82 FIN GIH W/BIT & DC'S. TAGGED CMT @ APPROX 5989'. DRL OUT RET & CMT. POH W/BIT & DC'S. PREP TO GIH W/CSG SCRAPER. SDFN.

04/11/82 SD FOR HOLIDAY.

04/12/82 SD FOR SUNDAY.

04/13/82 STRT POH W/BIT & DC'S. SD FOR 3 HRS DUE TO WIND. FIN POH W/BIT & DC'S. GIH W/CSG SCRAPER & DC'S. PBTD 6316'. CIRC HOLE W/FW UNTIL CLEAN. ROLL HOLE W/3% KCL. PU TO 6077' & SPOT 500 GALS 15% MSR-100. POH W/TBG, DC'S, & CSG SCRAPER. CLOSE BLINDS ON BOP. SDFN.

04/14/82 RU CRC & PERF FUSSELMAN 1' INTVL @ 6075' W/4 JSPF .44" 22 GR. ACIDIZED PERF'S W/500 GALS 15% HCL. BRK ON PRESS 1650 PSI. PMP IN 1/4 BPM @ 1720 PSI. ATTEMPT TO PMP 1500 GAL ACID TO PERF'S, PRESS INCR TO 2650 PSI. FLOWED & SWBD BACK W/SLIGHT SHOW OF GAS. SDFN.

04/15/82 RU & SWB WELL DRY. REC 3 BBLS. RD SWB & RU DOWELL TO ACIDIZE W/1000 GAL 15% HCL & FLUSH W/3% KCL. ISIP 1200#, 5" 1000#, 10" 800#. RD DOWELL. STRT REC LOAD. 7200 BLTR. SLFW WELL DOWN TO PIT. WELL DIED. RU TO SWB. IFL @ SURF,

PROSPECT
LOCATION
PROJECTED TD
CONTRACTOR
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FFL 5000'. WELL NOT FLOWING AFTER 54 HR S/C. WELL FLOWING ON 1/2" CK. FTP 35 PSI. SDFN.

04/16/82 IP 150 PSI. BLED WELL DOWN. SWG LOAD BACK. IFL @ 4000' & SASSY, FFL 6000' (3BPH). SI FOR 1 HR W/20 PRESS INCR. LAST SAMPLE BROUGHT BACK 1/4 TO 1/2 OIL. WTR ANALYSIS INDICATES ACID WTR. SDFN.

04/17/82 SITP 1200#. BLED DOWN TO PIT, GOOD GAS. RU TO SWB. IFL 5400'. MADE 2 RUNS, REC 2 BBLS. RD SWB. RU DOWELL TO ACIDIZE W/2000 GAL 28% NE/FE HCL, AND FLUSH & OVERFLUSH W/3% KCL. ENTIRE JOB TREATED ON A VACUUM. RD DOWELL (100 BBLS TO REC). RU TO SWB. IFL 400', FFL 5300' & SCATTERED. REC 75 BBLS OF LOAD (25 BBLS TO REC). SDFN.
WTR ANALYSIS FR 4/15/82:

	AM	PM
SP GR	1.095	1.105
PH	1	5
CL	98,295	131,350
NA	34,066	34,068

04/18/82 SITP 210 PSI, GOOD ACID GAS & MOSTLY NATURAL GAS. BLOW DOWN TO PIT IN 10". RU TO SWB. IFL 4600' & SCATTERED. FFL 5500' & SCATTERED. REC 8 BBLS OF FLUID, 17 BLTR. SDFN.
WTR ANALYSIS FR 4/17/82:

	AM	PM
SP GR	1.055	1.120
PH	7	5
HCO3	122	366
SO4	2,100	2,000
CL	48,635	134,900
MG	4,624	16,794
CA	7,200	18,800
NA	15,366	35,218

04/19/82 SD FOR SUNDAY.

04/20/82 40 HR SITP 200 PSI. BLED DOWN IN 8 MINS, GOOD GAS. RU TO SWB. IFL 5200', FFL 5500'. REC 4 BLW, GAS AFTER SWB RUNS. RU JIM'S KILL TRUCK & LOAD HOLE W/3% KCL. RD JIM'S. UNSEAT PKR, RD TREE, RU BOP & POH W/TBG & PKR. GIH W/HOWCO CMT RET & 2-7/8" TBG. SDFN.

04/21/82 SITP 0. CONT TO RUN RET IN HOLE. SET RET @ 6015'. RU HOWCO TO SQZ W/150 SX CLASS "H" W/2% HALAD 4. SQZ TO 3500# & HELD. PULL OUT OF RET & REV OUT 30 SX TO PIT. RU COMP RENTALS & GIH W/4-3/4" BIT, 4 DC'S & 2-7/8" TBG. SDFN.

04/22/82 FIN GIH W/TBG, TAGGED CMT @ 6005'. DRLD CMT & RET TO 6060'. CIRC CLEAN & SDFN.

04/23/82 STRT BACK DRLG OUT @ 6062'. DRL OUT @ 6075'. CIRC & CLEAN

PROSPECT , V[illegible] STATE #1
LOCATION [illegible]' FNL & 1980' FEL, SEC 14,
T-2[illegible], R-2[illegible], CHAVES CO., NM
PROJECTED TD 6350'
CONTRACTOR COMPLETION - CHASE
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UP HOLE. TST SQUEEZE TO 3000 PSI. OK. GIH W/CSG SCRAPER TO TD. CIRC HOLE W/3% KCL WTR. POH. SDFN.

04/24/82 NO CREWS & COMPLETION RENTAL. RU GEO VANN & GIH TO PERF 6137' TO 6141' W/2 SPF. RD GEO VANN. GIH W/BAKER LOK-SET PKR, ON/OFF TOOL, PROFILE 1.50", 2-3/8" X-OVER & 2-7/8" TBG. SET PKR @ 6104'. RD BOP & RU TREE. RU TO SWB. IFL @ SURF, FFL 3000'. REC 26 BF. SDFN.

04/25/82 SITP 0 PSI. RU TO SWB. IFL 3300', FFL 5800' & SCATTERED. REC 14 BF. SDFN.

04/26/82 SD FOR SUNDAY.

04/27/82 SITP-SLIGHT BLOW. RU TO SWB. IFL 4000'. MADE 3 SWB RUNS, REC 6 BF. FFL @ SN. RD SWELL. PMP 250 GAL 20% MSR-100 & FLUSH W/3% KCL. FBHP BRAKE @ 2800 PSI. INCR RATE TO 1/2 BPM @ 500#. ISIP 300 PSI, 5 MIN VAC. RD SWELL. RU TO SWB TLTR 43 BBLS. IFL 100', FFL 2500'. REC 51 BBLS-8BLS OVER-LOAD. NO SHOW OF NATURAL GAS. SDFN.

	AM	PM
SP GR	1.050	1.050
PH	7	7
NA	16,460	15,433
CA	10,000	10,800
MG	3,894	4,746
CL	53,250	56,800
SO4	1,500	1,200
HCO3	1,403	1,220

04/28/82 SITP 50 PSI. BLED TO PIT IN 1". RU TO SWB. IFL 350', FFL 2600'. REC 12 BBLS (20 BBLS OVERLOAD). RD TREE. RU BOP. UNSEAT PKR & POH. RU GEO VANN & SET CIBP @ 6100' & DROP 36' OF CMT ON CIBP. PBTD @ 6064'. SDFN.

04/30/82 4/29/82: GIH W/GEO VANN TO PERF FR 6043' TO 6048 W/2 SPF, 1 4" SUB, 1.50" TBG REL, 2 10' SUBS, VENT, BAKER LOK-SET PKR, ON/OFF TOOL W/1.50" PROFILE, 1 2-3/8" X 2-7/8" X-OVER, 1 JT 2-7/8" TBG, 1 6" LOCATOR SUB & 192 JTS 2-7/8" TBG. RU GEO VANN LOGGERS TO CORRELATE GUNS. RD GEO VANN & SET PKR @ 6009'. RD BOP & RU TREE. DROP BAR TO PERF. FLOW TO PIT FOR 2 HRS. FTP 80# ON 20/64" CK (RATE APPROX 218 MCFD). SDFN.

4/30/82: 13 HR SITP 1750 PSI. FLOW WELL TO PIT (GOOD GAS). FTP STABILIZED @ 60# ON 20/64. RU SWB. REC NO FLUID. FLOW SD WELL FOR 6 HRS & FINAL FTP OF 110# ON 20/64 CK. SDFN.

05/01/82 ACIDIZED W/500 GAL 15% MSR 100. FLUSHED W/35 BW. INCR PRES TO 2500 PSI, 1/8 BPM TO 1/4 BPM, ISIP 1800 PSI, 15" 900 PSI. RD SWELL. SITP 500 PSI. BLED OFF, IFL 1000'. MADE 1 SWB

[illegible] DATE
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PROSPECT	[illegible] STATE #1
LOCATION	[illegible] FNL & 1980' [illegible], SEC 15,
	T-3S, R-27E, CHAVES CO., NM
PROJECTED TO	5350
CONTRACTOR	COMPLETION - CHASE

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RUN, KICKED OFF FLOWING. FLOWED FOR 1 HR & DIED. MADE ANOTHER SWB RUN, IFL 5100'. KICKED OFF FLOWING. SDFN.

05/02/82 SITP 1700 PSI. BLED TO PIT 15". RU SWB. IFL 4000' & SCATTERED, FFL @ SN. REC 6 BL & AW. KICKED OFF FLOWING & STABILIZED @ 95# ON 20/64" CK, [illegible] MCFD.

05/03/82 SD FOR SUNDAY.

05/04/82 SITP 1500 PSI. BLEW DOWN IN 15 MIN. RU TO SWB. REC 1 BBL (1/2 OIL & 1/2 WTR). RD SWB. RU DOWELL TO ACIDIZE W/1500 GALS 7-1/2% MSR-100 & 22 BALL SEALERS W/3% KCL TO FLUSH (BALLED OFF). MAX RATE 3 BPM @ 4200#, AVG RATE 2 BPM @ 2250#, FINAL RATE 1 BPM @ 2250#. ISIP 2000#, 5" 1800#. TLTR 72 BBLS. RD DOWELL, RU TO SWB. IFL @ SURF, FFL 4500'. REC 42 BL, 30 BLTR. TR OF OIL ON LAST SWB RUNS. SDFN.

05/05/82 SITP 1750 PSI. BLEW TO PIT, GOOD GAS. RU TO SWB. IFL 3600' & SCATTERED. REC 1/2 BO & 1/2 BLW. PUT WELL ON 20/64 CK & EST FLOW RATE. WELL STAB @ 75 PSI FTP @ 20/64" CK (206 MCFD). FLOWED WELL F/P 4 HRS. SDFN.

05/06/82 SITP 1500 PSI. BLEW DOWN TO PIT, GOOD GAS. RU JIM'S KILL TRUCK & KILL WELL W/3% KCL. RD TREE & RU BOP. UNSEAT PKR & POH. RD JIM'S. RU & GIH W/GEO VANN, BAKER LOK-SET PKR, ON/OFF TOOL (1.50" PROFILE), X-OVER, 1 JT 2-7/8" TBG, 6' LOCATOR SUB, 189 JTS 2-7/8" TBG. CORRELATE W/GEO VANN & SET PKR @ 5894'. RD BOP & RU TREE. DROP BAR TO PERF @ 5926' TO 5934'; 5944' TO 5952' AND 6008' TO 6016'. GUNS DID NOT FIRE. SDFN.

05/07/82 SITP 1200 PSI. RU JARRELL WIRELINE & GIH TO FISH BAR & ALSO SPUD ON FIRING HEAD TO MAKE SURE GUNS FIRED. POH W/FIRING BAR & RD JARRELL. BLEW WELL TO PIT. RU TO SWB. IFL 4400'. MADE 2 RUNS, REC 4 BBLS 25% OIL. FFL @ SN. RU PETROTHERMA KILL TRUCK & KILL WELL W/3% KCL. RD TREE, RU BOP. UNSEAT PKR & POH. GUNS DID FIRE, BUT PAVA WAS PARTLY CLOSED. SDFN.

05/08/82 SITP 0 PSI. POH, GIH W/BAKER LOK-SET PKR, ON/OFF TOOL (1.50 PROFILE), X-OVER & 185 JTS 2-7/8" TBG. SET PKR @ 5803'. RD BOP & RU TREE. RU TO SWB. IFL @ SURF, FFL @ 5800' (SN). REC 30 BW. LAST 2 RUNS TR OF OIL & GAS RATE OF APPROX 200 MCFD. SDFN.

05/09/82 SITP 1500 PSI. BLEW DOWN TO PIT, GOOD GAS. IFL 4200', FFL 5800'. REC 5 BBLS 10% OIL. GAS RATE ON 20/64" CK W/85# FTP IS APPROX 221 MCFD. SDFN.

05/10/82 SD FOR SUNDAY.

05/11/82 SITP 1700 PSI. BLEW DWN TO PIT (GOOD GAS). RU TO SWB. IFL 5700' & SCATTERED. REC 1/2 BBL W/TRACE OF O & G. RU DOWELL TO ACIDIZE W/4000 GAL 7-1/2% MSR 100 & 120 (1.1 SP GR) BALL

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SCALERS. AVG RATE 5.8 - 1.9 2400#, MAX RATE 3.5 BPM @ 3300#
FINAL RATE 2.1 BPM @ 3000#. ISIP 2700#, 5" 2500#. GOOD
BALL ACTION BUT DID NOT BALL OFF. RD DOWELL. TLTR 135 BBLS
RU T3 SWB. IFL @ SURF, FFL @ 5800' & SCATTERED. REC 49 BBL
OF FLUID. GREY GAS IN LAST 2 SWB RUNS. NO BLTR. SDFN.

05/12/82 SITP 1250 PSI. IFL 3400', FFL 5800'. REC 11 BBLS W/TR OF
OIL. GAS RATE ESTIMATED 200 MCFD. RU CRC & JIM'S KILL TRUCK
TO RUN DMT IN TRACER & TEMP SURVEYS. SURVEY SHOWED PERF'S
@ 6043' TO 6046' TAKING MAJORITY OF FLUID W/LITTLE TO NO
CHANNELING. PSL JIM'S KILL TRUCK & CRC. SDFN.

STR ANALYSIS FR 5-4-82:

NA	23,811	SO4	125
CA	3000	HCO3	123
MG	1771	PH	9
CL	62,125	SP GR	1.040

05/13/82 OVERNIGHT SITP 200 PSI. RD TREE, RU BOP. UNSEAT PKR & POH.
SD DUE TO HIGH WIND. SDFN.

05/14/82 FIN POH W/TBG. RU MCCULLOUGH TO PERF FR 6026' TO 6028' W/4
HOLES. GIH W/RBP&CO RTTS, RBP & 2-7/8" TBG. RU MCCULLOUGH
& CORRELATE RBP SETTING. RD MCCULLOUGH & SET RBP @ 6038' &
RTTS @ 5983'. ACIDIZE PERF'S FR 6008' TO 6016' & 6026' TO
6028' W/2500 GALS 15% HCL-202 & 30 BALL SCALERS. MAX RATE
4 BPM @ 5200#, AVG RATE 4 BPM @ 2600#, FINAL RATE 3 BPM @
3000#. GOOD BALL ACTION W/BALL OUT TO 5200#. ISIP 2500#,
5" 2300#. MOVE TOOLS TO PRT NEXT ZONE. SET RBP @ 5983' &
RTTS @ 5890'. ACIDIZE PERF'S FR 5926' TO 5934' & 5944' TO
5952' W/4000 GALS 15% HCL-202 W/51 BALL SCALERS. MAX RATE
4 BPM @ 5000#, AVG RATE 4 BPM @ 3000#, FINAL RATE 2 BPM @
2200#. GOOD BALL ACTION W/BALL OUT TO 5000#. ISIP 2900#,
5" 2300#. REL RBP & POH. SDFN. TLTR 195 BBLS.

05/15/82 SITP 0 PSI. FIN POH W/RTTS & RBP. REL RENTAL TOOLS. GIH
W/BAKER LOC SET & PKR, 1.81 XOFF TOOL W/1.50 PROFILE & 185 JTS
OF 2-7/8" TBG. RE RBP&CO & CIRC HOLE W/3% KCL. SET PKR @
5762', ND BOP & RU TREE. RU T3 SWB. IFL @ SURF, FFL 5760'
& SCATTERED. REC 35 BBLS (150 BBLS TO REC). SDFN.

05/16/82 SITP 500 PSI (SOME ACID GAS). RU TO SWB. IFL 2600', FFL
5700' & SCATTERED. REC 15 BPLS (144 BBLS TO REC).

05/17/82 SD FOR SUNDAY.

05/18/82 [illegible] SITP 1350 PSI. FLOW DWN TO PIT. RU TO SWB. IFL
3400', FFL 5700' & SCATTERED. REC 14 BL, 130 BLTR. SDFN.

05/19/82 SITP 1450 PSI. BLOW DWN TO PIT, GOOD GAS. RU TO SWB. IFL
5000'. SWB DRY IN 3 RUNS. TRIED TO ESTAB FLOW ON 20/64" CK
WOULD NOT SHOW PRESS. REC 7 BBLS OF FLUID, FFL 5700'. SDFN

05/20/82 SITP 1500 PSI. BLOW DWN TO PIT. RU TO SWB. IFL 5000'.

YATES PETROLEUM CORP.
SUITE 1100 SECURITY NATIONAL BANK
ROSWELL, NEW MEXICO

PROSPECT — WYLIE STATE #1
LOCATION — 660' FNL & 1980' FWL, S 6 TR,
T-9S, R-32E, CHAVES CO., NM
PROJECTED TD — 5300'
CONTRACTOR — COMPLETION - CHASE

****

REC 3 BBLS (5% OIL). RU JIM'S KILL TRUCK & KILL WELL W/3% KCL. RD TREE & RU BOP. UNSEAT PKR & SIH W/9 JNTS OF 2-7/8" TBG. RU GEO VANN TO CORRELATE PKR TO 5035'. RD GEO VANN & SET PKR @ 4038'. POOH & RU TREE. TST PKR, COMMUNICATION THRU SLIP. MOVE PKR TO 6042', COMMUNICATION AGAIN. TEST PKR @ 5770', OK. MOVE PKR TO 5972, TEST, OK. RD JIM'S KILL TRUCK, RU TO S&B. IFL @ SURF, FFL 4800'. REC 35 BBLS. SDFN.

05/21/82 SITP 200 PSI, SICP 200 PSI. BLEW DOWN TO PIT. RU TO S&B. IFL 1400', REC @ 84, RD S&B. RU HOWCO TO FRAC W/15,500 GAL VERSAL GEL 1500 & 3000 GALS CO2 & 28,400# 20/40 SD. MAX RATE 11 BPM @ 4300#; AVG RATE 10.5 BPM @ 4000#; FINAL RATE 11 BPM @ 4200#. ISIP 3120#, 5" 2730#, 10" 2550#, 15" 2340#. TLTR 370 BBLS. RD HOWCO. SHUT WELL IN FOR 3 HRS. STRT FLW BACK ON 12/64" CK @ 500#. UNLOADED WTR & CO2. WELL CONT TO DECLINE TO FTP. WELL DIED AFTER 4 HRS. SI FOR BUILD-UP. RE-OPENED BUT WOULD NOT FLW. SDFN. REC 100 BL W/270 BLTR.

05/22/82 SITP 500 PSI, SICP 475 PSI. BLEW DOWN TO PIT. RU TO S&B. IFL 2000'. MADE 6 S&B RUNS & WELL KICKED OFF FLOWING. PUT WELL ON 1/4" CK W/FTP OF 1000 PSI & CLEANING UP. FLOWED FOR 3 HRS. SDFN. (EST FLOW OF 1.5 MMCFD)

05/23/82 SITP 1650 PSI, SICP 375 PSI. PUT WELL ON CK TO EST FLOW RATE. FLOWED WELL FOR 3 HRS @ 275 PSI ON 1/2" CK. STILL MAKING SOME LOAD WTR. SDFN. (EST FLOW ON 1.75 MMCFD)

05/24/82 SD FOR SUNDAY.

05/25/82 SITP 1800 PSI, SICP 270 PSI. RU JARRELL WIRELINE & SET 1.50" BLANKING PLUG IN R PROFILE @ 5061'. BLEW WELL DOWN, PLUG HOLDING. RD JARRELL'S, RU JIM'S KILL TRUCK & LOAD TBG W/3% KCL. RD TREE, RU BOP. PULL OUT OF ON/OFF TOOL. CIRC HOLE W/3% KCL. POH W/TBG. RU HOWCO RBP & SIH. SET RBP @ 5042'. TST RBP, OK. POH & SDFN.

05/26/82 SITP 0 PSI. RU GEO VANN & PERF @ 4912', 4913', 4923', 4924' 4925' & 4929' W/2 SPF. RD GEO VANN & SIH W/RTTS & 2-7/8" TBG. RU HOWCO & SPOT 1 BBL ACID @ 4932'. PULL PKR TO 4823'. RD BOP & RU TREE. BRK DN ABO PERF'S @ 1300 PSI. ACIDIZE PERF'S W/3000 GALS 10% MOD-101 & 24 1.3 BALL SEALERS W/3% KCL FLUSH. MAX RATE 4 BPM @ 4000#, AVG RATE 3.5 BPM @ 1300#, FINAL RATE 3 BPM @ 1200#. ISIP 900#, 5" 600#. TLTR 109 BBLS. RD HOWCO & RU TO S&B. IFL 600', FFL 4300'. REC 32 BL, SI AMT OF GAS. 68 BLTR. SDFN.

05/27/82 RU HOWCO TO FRAC ABO PERFS W/30,000 GALS XGS (20,000 GAL KCL + 10,000 GAL CO2) W/30,000# 20/40 + 4500# 10/20. MAX RATE 22.5 BPM @ 4850#, AVG RATE 22 BPM @ 4750#, FINAL RATE 22 BPM

PROSPECT — [illegible] STATE #1
LOCATION — [illegible] FNL & 1980' FWL, SEC 14, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350'
CONTRACTOR — COMPLETION - CHAS
****

@ 4800#. ISIP 1520#, 5" 1400#, 10" 1350#, 15" @ 1300#. FLTR 475 BBLS. START FLOWING WELL IN 1/4" CK @ NOON. STILL FLOWING @ 4:00 PM, PUT POT ON 1/2" CK W/FTP @ 400#, AT 9:00 PM STARTED CUTTING NATURAL GAS. CONTINUE FLOWING WELL ALL NIGHT.

05/28/82 OVERNIGHT 24 HR FTP 130 PSI IN 1/2" CK. FRAC LOAD & CO2 REC. STAB FTP 210 PSI ON 1/2" CK @ 1.4 MMCFD. SDFN.

05/29/82 MI 2-1/16" TBG & ALL CONNECTIONS FOR DUAL COMPLETION W/ 2-1/16" TBG. SDFN.

05/30/82 SD FOR HOLIDAY.

05/31/82 SD FOR HOLIDAY.

06/01/82 SD FOR HOLIDAY.

06/02/82 SITP 850 PSI. RU JT'S WILLTRUCK & LD TBG W/3% KCL. UNSEAT RTTS, RD TREE & RU BOP. GIH TO GET RBP. HAD 25' OF FILL ON TOP OF RBP. CIRC SD OFF & RETRIEVE BRIDGE PLUG. POH & LD 2-7/8" TBG. CHG OUT 2-7/8" EQUIP FOR 2-1/16" EQUIP. RU BO MUNK & TST IN HOLE. GIH W/ON-OFF TOOL, 2-1/16" TBG, & 4 BLAST JTS. SDFN.

06/03/82 SITP 0 PSI. CONT GIH W/2-1/16" TBG (TSTG TO 5000#). TIE INTO LONG STRING SIDE W/ON-OFF TOOL. SPACE OUT & SET TBG IN HANGER. RU TO GIH W/SHORT STRING 2-1/16" TBG (TSTG TO 5000#). SDFN.

06/04/82 SITP 0 PSI. GIH W/SHORT STRING OF 2-1/6" TBG & TSTG TO 5000 PSI. TAG UP ON PKR & SPACE OUT. PUT 5000# TO SET PKR. PKR WOULD NOT SET, STINGER NOT GOING IN PKR. PULL SHORT STRING OUT OF HOLE. RU ON LONG STRING SIDE. COULD NOT GET OFF ON/OFF TOOL. FLANGE LONG STRING SIDE TO HANGER. SDFN.

06/05/82 GIH W/SHORT STRING & TRY TO STING INTO PKR. PRESS UP ON TBG & WOULD HOLD. PRESS UP ON BACK SIDE & WOULD COMMUNICATE. POH & RPPL STINGER SEALS. GIH & TRY TO STING INTO PKR. AGAIN PRESS HOLE ON TBG, BUT WOULDN'T HOLD ON CSG. SDFN.

06/06/82 TRIED TO STING INTO PKR AGAIN BUT WOULD COMMUNICATE ON BACK SIDE. POH & REDRESS & TAPER STINGER. GIH & TRY AGAIN. WOULD HOLD PRESS ON TBG, BUT WOULD NOT HOLD PRESS ON CSG. SPACE OUT & LAND SHORT SIDE INTO TBG HANGER. RD BOP & RU TREE. SDFN.

06/07/82 SD FOR SUNDAY.

06/08/82 RD PULLING UNIT & RU SWAB UNIT. SWB LONG STRING DOWN TO 2000'. RU JARRELL WIRELINE & RUN 1.59 GAUGE TO 5900', OK. POH & GIH & RETRIEVE EQUALIZING STINGER. GIH & FISH OUT BLANKING PLUG. RD JARRELL'S. RU TO FLOW LONG STRING. SITP 200 PSI. BLEW DOWN TO PIT. LONG STRING SIDE FLOWING & UNLOADING FLUID. FLOWED FOR 1 HR & FINAL PRESS WAS 900 PSI

YATES ... BY CORP
SOUTH ... SECURITY NATIONAL BA
RUSSELL ... (CO)

PROSPECT
LOCATION 990' FSL & 1980' FWL, SEC 14,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350
CONTRACTOR COMPLETION - CHAS
****

ON 14/64" CK. SHUT LONG STRING SIDE IN. RU TO SWB SHORT SIDE. IFL @ SURF, FFL 2400'. REC 15 BLS. SDFN.

06/09/82 SITP 1625 PSI (LONG STRG), SITP 0 PSI (SHORT STRG). FLWD LONG STRG FOR 1 HR & UNLD ABOUT 4 BBLS FLUID, DIED UP W/GOOD GAS. SHUT LONG STRG IN. RU TO SWB SHORT STRG. IFL 900', FFL 4800' (SN). REC 60 BBLS FLUID W/GAS ON LAST 3 RUN CSG PRESS UP TO 325# @ END OF DAY. SDFN.

06/10/82 SITP 1950 PSI (LONG STRING) & 150 PSI (SHORT STRING). SICP 750 PSI. BLEW DOWN TO PIT, SHORT STRING, GOOD GAS. RU TO SWB A80. IFL 2800', FFL 2800' & SCATTERED. WELL KO FLOWING @ 3:00 PM ON A 20/64" CK @ 100# TO 270# FTP. FLOWED WELL FOR 4 HRS. REC 64 BBLS SWBG & 50 BBLS FLOWING. SION.

06/11/82 SITP 1950 PSI (LONG STRING), 1000 PSI (SHORT STRING), SICP 1000 PSI. PUT WELL ON 1/2" CK & FLOW WELL. WELL FLOWED ALL DAY, STILL CLEANING UP. REC 35 BLW. FTP VARIED FR 45 PSI TO 250 PSI W/GOOD GAS. RD SWG UNIT. SDFN.

06/15/82 WOCU. DROPPED FROM REPORT UNTIL FURTHER NOTICE.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

CORRECTED REPORT

Form C-105
Revised 10-1-78

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

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BEFORE EXAMINER
OIL CONSERVATION DIVISION
Applicants Exhibit No. 2-a
Case No. 7658-7657
HEYCO
Aug 26, 1982

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease: State [X] Fee [ ]
5. State Oil & Gas Lease No.: L-6775
7. Unit Agreement Name:
8. Farm or Lease Name: Seymour State Com
9. Well No.:
10. Field and Pool, or Wildcat: Wildcat

TYPE OF WELL: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER
TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] OTHER

Name of Operator: Harvey E. Yates Company
Address of Operator: P. O. Box 1933, Roswell, New Mexico 88201

Location of Well: Unit Letter E Located 1980 Feet From The North Line And 660 Feet From The West Line Of Sec. 18 Twp. 9S Rge. 27E NMPM

12. County: Chaves

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Cashinghead
1/30/82	3/16/82	5/22/82	3811.8 GR	3811.8

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
6385	6064	2	→	70'-6385'	0-70

24. Producing Interval(s), of this completion — Top, Bottom, Name: 6008' to 6048' Atoka

25. Was Directional Survey Made: No

26. Type Electric and Other Logs Run: CN/CDL/GR & DLL/ML/GR

27. 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
13 3/8	48	352	17 1/2	340 sxs Cl "C" w/2% CaCl	
8 5/8	24	1525	11	450 sxs HLW ¼# Flo, 2% ClCl	
5 1/2	15.5	6343	7 7/8	200 sxs Cl C w/2% CaCl + 640 sxs-1" to surf (1) 190 sxs, DV @ 5504', (2) 1400 sxs, TOC 2370	

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 1/16	5984'	5980'

31. Perforation Record (Interval, size and number)

SEE ATTACHED WELL HISTORY SUMMARY

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

PRODUCTION

First Production	Production Method (Flowing, gas lift, pumping — Size and type pump)	Well Status (Prod. or Shut-in)
5/22/82	Flowing	SI

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
5/23/82	3.0	1/2"		tr	215	-	-

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)
275			tr	1722	0	-

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

Test Witnessed By: Micky Young

List of Attachments

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.

SIGNED Jack Hardee TITLE Engineer DATE August 10, 1982

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 radioactivity 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 30 through 34 shall be reported for each zone. This form is to be filed in quadruplicate 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				Northwestern New Mexico			
T. Anhy		T. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt		T. Strawn	5770	T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt		T. Atoka	5830	T. Pictured Cliffs		T. Penn. "D"	
T. Yates		T. Miss	6064	T. Cliff House		T. Leadville	
T. 7 Rivers		T. Devonian		T. Menefee		T. Madison	
T. Queen		T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg		T. Montoya		T. Mancos		T. McCracken	
T. San Andres	1202	T. Simpson		T. Gallup		T. Ignacio Qtzte	
T. Glorieta	2394	T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blinebry		T. Gr. Wash	6396	T. Morrison		T.	
T. Tubb	3824	T. Granite		T. Todilto		T.	
T. Drinkard		T. Delaware Sand		T. Entrada		T.	
T. Abo	4563	T. Bone Springs		T. Wingate		T.	
T. Wolfcamp	5245	T.		T. Chinle		T.	
T. Penn.	5773	T.		T. Permian		T.	
T. Cisco (Bough C)		T.		T. Penn. "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from ..... to ..... No. 4, from ..... to .....

No. 2, from ..... to ..... No. 5, from ..... to .....

No. 3, from ..... to ..... No. 6, 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. .....

No. 4, from ..... to ..... feet. .....

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1100		Sand & Shale	4600	5220		
1100	1250		Shale & Anhy	5220	5925		
1250	1280		Sand	5925	5935		
1280	1310		Anhy	5935	5945		
1310	1800		Dolo & Anhy	5945	5955		
1800	2200		Lime & Dolo	5955	6060		
2200	2900		Sand & Dolo	6060	6365		
2900	3000		Dolo, Anhy, & Shale	6365	6386		
3000	3150		Sand & dolo				
3150	3182		Dolo, Shale, & anhy				
3182	3510		Sand				
3510	3550		Dolomite				
3550	3565		Sand				
3565	3650		Dolo				
3650	4320		Sand				
4320	4600		Dolo & Shale				

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

Form C-105
Revised 10-1-78

OIL CONSERVATION DIVISION

P O BOX 2088
SANTA FE, NEW MEXICO 87501

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Applicant's 2-b
7658-7657
HEYCO
Aug 26, 1982

5a. Indicate Type of Lease: State [X] Fee [ ]
5. State Oil & Gas Lease No.: L-6775

1a. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER
b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] OTHER

7. Unit Agreement Name:
8. Farm or Lease Name: Seymour State Com
9. Well No.:
10. Field and Pool, or Wildcat: Wildcat

2. Name of Operator: Harvey E. Yates Company
3. Address of Operator: P. O. Box 1933, Roswell, New Mexico 88201
4. Location of Well: UNIT LETTER E LOCATED 1980 FEET FROM THE North LINE AND 660 FEET FROM THE West LINE OF SEC. 18 TWP. 9S RGE. 27E NMPM
12. County: Chaves

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Cashinghead
11/30/81	3/19/82	5/28/82	3811.8 GR	3811.8

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
6385	6064	2	→	70 - 6385	0 - 70

24. Producing Interval(s), of this completion — Top, Bottom, Name: 4912-4929 Abo
25. Was Directional Survey Made: No
26. Type Electric and Other Logs Run: CN/CDL/GR & DLL/ML/GR
27. Was Well Cored: No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	352	17 1/2	340 sxs Cl "C" 2% Cacl	0
8 5/8	24	1525	11	650 sxs	0
5 1/2	15.5	6343	7 7/8	1590 sxs	0

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 1/16	4800	4800

31. Perforation Record (Interval, size and number)

SEE ATTACHED WELL HISTORY SUMMARY

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

33. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping — Size and type pump)	Well Status (Prod. or Shut-in)
5/28/22	Flowing	SI

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
6/11/82	8	1/2"		tr	549	-	-

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)
250			tr	1646	-	-

34. Disposition of Gas (Sold, used for fuel, vented, etc.): vented
Test Witnessed By: Micky Young

35. List of Attachments

36. 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.

SIGNED Pete Hardee TITLE Engineer DATE August 10, 1982

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 radioactivity 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 30 through 34 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				Northwestern New Mexico			
T. Anhy		T. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt		T. Strawn	5770	T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt		T. Atoka	5830	T. Pictured Cliffs		T. Penn. "D"	
T. Yates		T. Miss	6064	T. Cliff House		T. Leadville	
T. 7 Rivers		T. Devonian		T. Menefee		T. Madison	
T. Queen		T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg		T. Montoya		T. Mancos		T. McCracken	
T. San Andres	1202	T. Simpson		T. Gallup		T. Ignacio Qtzte	
T. Glorieta	2394	T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blinebry		T. Gr. Wash	6366	T. Morrison		T.	
T. Tubb	3824	T. Granite		T. Todilto		T.	
T. Drinkard		T. Delaware Sand		T. Entrada		T.	
T. Abo	4563	T. Bone Springs		T. Wingate		T.	
T. Wolfcamp	5245	T.		T. Chinle		T.	
T. Penn.	5773	T.		T. Permian		T.	
T Cisco (Bough C)		T.		T. Penn. "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from ..... to ..... No. 4, from ..... to .....

No. 2, from ..... to ..... No. 5, from ..... to .....

No. 3, from ..... to ..... No. 6, 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. .....

No. 4, from ..... to ..... feet. .....

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1100		Sand & Shale	4600	5220		Shale
1100	1250		Shale & Anhy	5200	5925		Lime & Shale
1250	1280		Sand	5925	5935		Sand
1280	1310		Anhy	5935	5945		Lime
1310	1800		Dolo & Anhy	5945	5955		Sand
1800	2200		Lime & Dolo	5955	6060		Lime & Shale
2200	2900		Sand & Dolo	6060	6365		Dolo & Chert
2900	3000		Dolo, Anhy, & Shale	6365	6386		Grandite Wash
3000	3150		Sand & Dolo				
3150	3182		Dolo, Shale, & Anhy				
3182	3510		Sand				
3510	3550		Dolomite				
3550	3565		Sand				
3565	3650		Dolo				
3650	4320		Sand				
4320	4600		Dolo & Shale				

HARVEY E. YATES COMPANY

Well History Summary Sheet

RECEIVED THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico Exhibit No. 4 Case No. 7657 Submitted by Harvey E. Yates Co. Hearing Date July 8, 1982

Operator Harvey E. Yates Co. **Well Name & #** Seymour State #1 **Lease #** Fee

District Roswell **Made By** Ray F. Nokes **Date** July 8, 1982

Location 660' FWL & 1980' FNL, Sec 18, T-9S, R-27E

Spud Date 11-30-81 **Compl Date** 6-11-82 **TD** 6385' **PBTD** 6307' Original

Type Well Oil ____ Gas X Other (Dual) **Field** Wildcat

I P ____ **Zone** ____

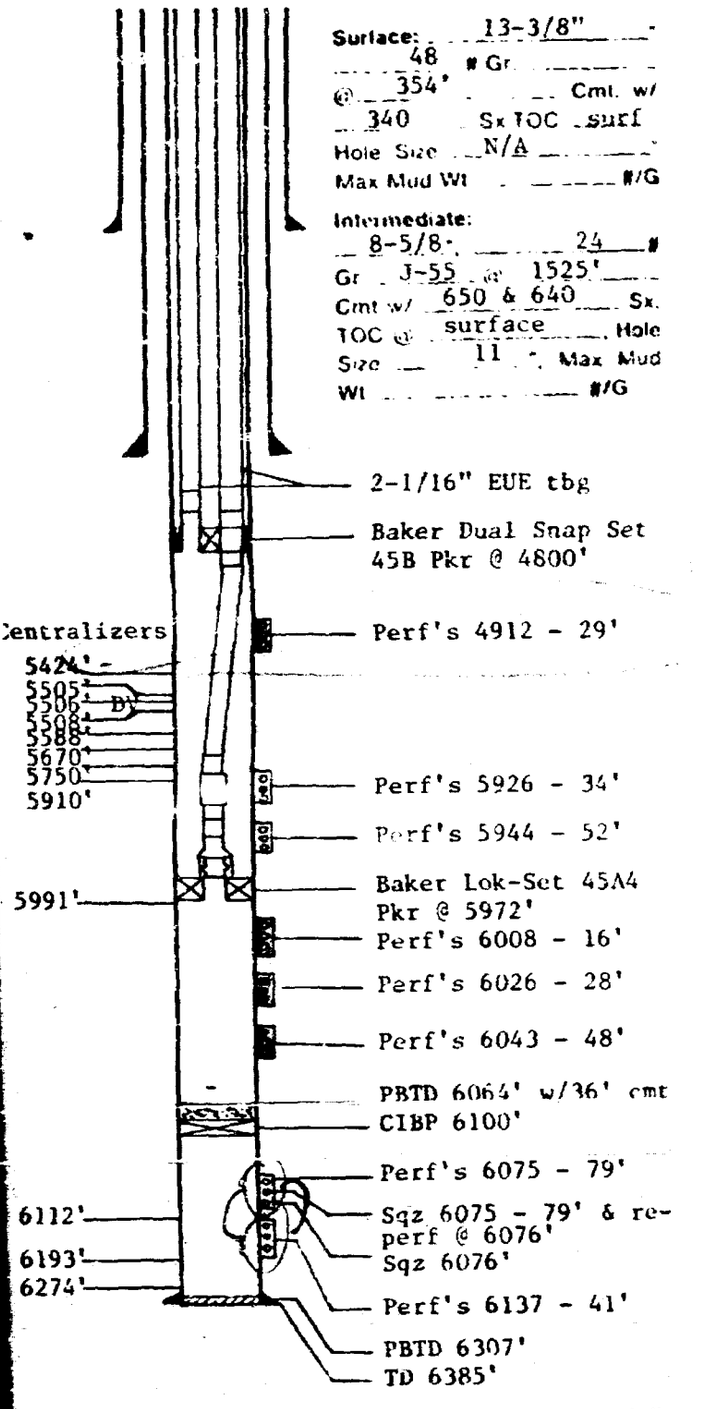
Perfs.: Abo: 4912 - 29' (OA) Atoka: 5826 - 6048' (OA) **Total Holes** ____

Stimulation See Well History below

Cumul. Oil ____ **MCF** ____ **Water** ____

Recent Test ____ **Lift Equipment** ____

Misc. Elevation: 3811.8' GL Refer to CBL for TOC & Bond record.



Surface: 13-3/8" 48 # Gr @ 354' Cmt. w/ 340 Sx TOC surf Hole Size N/A Max Mud Wt ____ #/G

Intermediate: 8-5/8" 24 # Gr J-55 @ 1525' Cmt w/ 650 & 640 Sx. TOC @ surface Hole Size 11" Max Mud Wt ____ #/G

Production: 5-1/2" 15.5 # J-55 Gr @ 6343' Cmt. w/ 1590 Sx. TOC @ 2370' by CBL Hole Size 7-7/8" Mx Mud Wt. ____ #/G

TD 6385'

WELL HISTORY

4-4-82	Perf's Miss (6075-79') w/2 spf
4-6-82	Acdz w/500 gals 20% MSR-100, Max press 2800#; Min press 2000#.
4-7-82	Re-acdz w/2400 gals 20% MSR-100, Max press 2750#; Min press 2200#.
4-8-82	Run Tracer Surv to locate wtr source.
4-9-82	Sqz off perf's @ 6075-79' w/150 sx cmt to 3000#. Wtr was coming fr 6081-91'. Drlg out.
4-14-82	Perf'd Miss (1' inter) @ 6076' w/4 shot & acdz w/500 gals 15% HCL. Max press 2650#, min press 1650#.
4-15-82	Re-acdz w/1000 gals 15% HCL. Max press 1200#, min press 800#. Swbd to flow @ 218 MCF (35# on 1/2" ck).
4-17-82	Re-acdz w/2000 gals 28% Ne/Fe Acid on vac. Swbg.
4-21-82	Sqz off perf's @ 6076' w/150 sx cmt to 3500#. Drlg out.
4-24-82	Perf'd Miss (6137-41') w/2 jspf. Swbg.
4-27-82	Acdz w/250 gals 20% MSR-100. Max press 2800#, min press 300#.
4-28-82	Set CIBP @ 6100' & dumped 36' cmt on top. PBTD @ 6064'.
4-29-82	Perf'd Atoka (6043-48') w/2 jspf. 13 hr SITP @ 1750 psig.
5-1-82	Acdz w/500 gals 15% MSR-100. Max press 2500#, min press 1800#. Swbd to flow @ 95# FTP on 5/16"ck. 230 MCF.
5-4-82	Re-acdz w/1500 gals 7-1/2% MSR-100. Max press 4200#, min press 2000#.
5-5-82	SITP @ 1750 psi. Swbg & flwg.
5-6-82	SITP 1600 psi. Kill well w/3% KCL. POH Perf'd Atoka (5926-34') (5944-52') & (6008-16')
5-7-82	Guns did fire. (Thought they had not Swbg.
5-11-82	Acdz w/4000 gals 7-1/2% MSR-100. Max press 3600#, min press 2700#. Swbg.
5-12-82	Ran Tracer Surv. Perf's fr 6043-48' taking majority of fluid & RA material.
5-14-82	Perf'd Atoka (6026-28'-4 holes), POH. GIH w/RTTS & RBP. Set RBP @ 6038' & RTTS @ 5985'. Acdz fr 6008-28' w/2500 gals 15% Mod-202; brk dn @ 1600 psi. Max press prior to ball out 3300#. ISIP 2500#, 5" 2300#. Move RBP to 5983' & RTTS to 5890'. Acdz 5926-52' w/4000 gal 15% Mod-202; brk dn @ 1800#. (1800# + Hydrostatic wt of Mod-202 = 4573.3 psig total press to brk dn perf's. (Max surf press during trtmt 5000#, min press 3100 ISIP 2900#, 5" 2800#.

See attached page for continued report of completion.

5-15-82 POH w/RTTS & RBP. Swbg.

5-21-82 Set pkr @ 5972'; frac w/15,500 gals Versagel 1500 & 3000 gals CO_2 & 28,400# 20/40 sd. Max press 4350#; min press 3920#. ISIP 3120#, 5" 2730#, 10" 2550#, 15" 2340#. Hydrostatic weight of fluid on back side during tst 3796.21 psig. (1180# + 2616.2#). Swbg.

5-22-82 Swbg to rec load, well KO flwg after 6 runs & flwd on 1/4" ck @ 1000 psi for 3 hrs. Rate 1.472 MMCFD.

5-23-82 SITP 1650 psi. Flwd on 1/2" ck @ 275 psi for 3 hrs. Rate 1.722 MMCFD.

5-25-82 SITP 1800 psi. Set 1.5" blank plug in profile @ 5961'. Blew dn & kill well w/3% KCL. GIH w/RBP. Set @ 5042'. Tst RBP, OK. SDFN.

5-26-82 Perf'd Abo @ 4912', 13', 23', 24', 25' & 4929' w/2 jspf. Acdz w/3000 gals 10% Mod-101. Brk dn perf's @ 1300 psi. (2236.74 psi hydrostatic wt). Max press 4000#, min press 1200#. ISIP 900 psi, 5" 600 psi. Swbg. Total pressure on formation during treatment= 1300 + 2236.74=3536.74#.

5-27-82 Frac Abo (4912-29') w/30,000 gals WG-6 (20,000 gals KCL + 10,000 gals CO_2) w/30,000# 20/40 sd & 4500# 10/20 sd. Max press 4900# (7257.56# hydrostatic wt while pmpg @ perf's), min press 4600#. ISIP 1520#, 5" 1400#, 10" 1350#, 15" 1300#. Overnight FTP 190# on 1/2" ck. Rate 1.189 MMCFD.

6-2-82 POH w/2-7/8" work string. GIH w/2-1/16" tbg on long string side.

6-3-82 GIH w/2-1/16" tbg on short string side.

6-4-82 Sting into pkr on short side & space out tbg. Pkr would not set. Stinger not going into pkr.

6-5-82 Cont to attempt to sting into pkr. Pkr was activated & set during attempts to set stinger into pkr. Unable to unseat pkr due to inability to set stinger into pkr on short side.

6-6-82 Etc.

6-7-82 Etc.

6-8-82 Etc. Still unable to rel assembly.

6-9-82 Pull blanking plug fr long side. Flw to rec 3% KCL fl. SITP on long string (Atoka) 1625 psi.

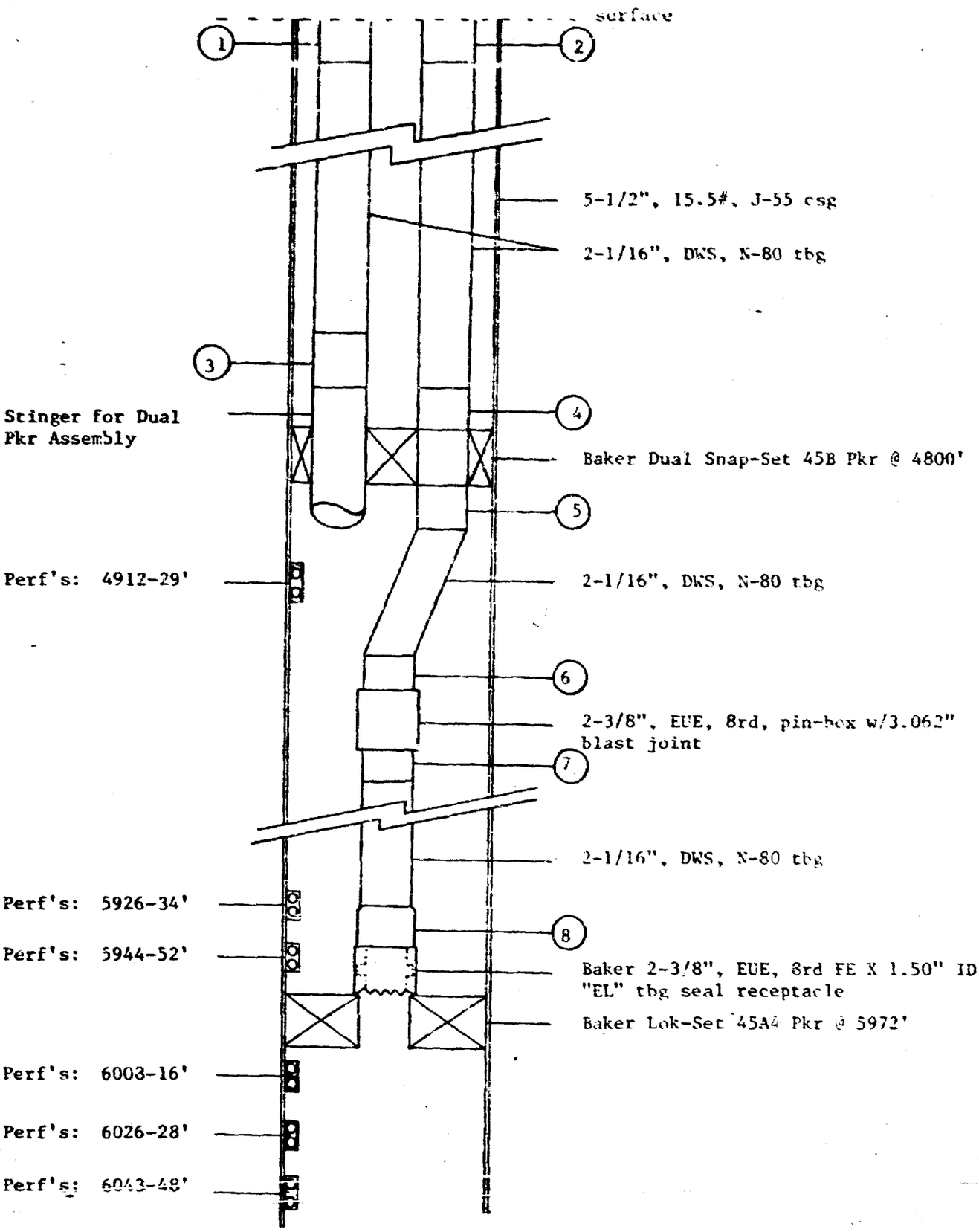
6-10-82 Flwg fr short side @ 150 psi FTP. Long string SITP 1950 psi.

6-11-82 SITP long side 1950#; SITP short side 1000#. WOPL

Ray F. Nokes
Reservoir Engineer
Harvey E. Yates Co.
Roswell, New Mexico 88201

SEYMOUR STATE #1

(Down Hole Production Assembly)



Number:

1) 2-1/16" IJ 10rd X 2-1/16" DWS Pin X 12" long change over
2) 2-1/16" IJ 10rd X 2-1/16" DWS Pin X 24" long change over
3) 2-1/16" DWS Box X 2-1/16" IJ 10rd Pin X 24" long change over
4) 2-1/16" DWS Box X 2-1/16" IJ 10rd Pin X 24" long change over
5) 2-1/16" IJ 10rd Box X 2-1/16" DWS Pin X 24" long change over
6) 2-1/16" DWS Box X 2-3/8" EUE 8rd Pin X 24" long change over
7) 2-1/16" DWS Pin X 2-3/8" EUE 8rd Pin X 12" long change over & 2-3/8" EUE 8rd collar
8) 2-1/16" DWS Box X 2-3/8" EUE 8rd Pin X 12" long change over

Ray F. Nokes
Reservoir Engineer
Harvey E. Yates Company

Docket No. 27-82

Dockets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 26, 1982

OIL CONSERVATION COMMISSION - 9 A.M.
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

CASE 7657: Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF HARVEY E. YATES COMPANY FOR MULTIPLE COMPLETION, CHAVES COUNTY, NEW MEXICO.

CASE NO. 7390
CASE NO. 7657
CASE NO. 7658

MOTION TO QUASH OR MODIFY

SUBPOENA DUCES TECUM

On August 23, 1982, Harvey E. Yates Company was served with a Subpoena Duces Tecum, a copy of which is attached to and made a part hereof, to produce certain documents at an Oil Conservation Commission hearing on August 26, 1982.

In response to said Subpoena Duces Tecum, Harvey E. Yates Company would show:

1. As to Item No. 1 - Those items were mailed to Viking Petroleum, Inc. on August 18, 1982.

2. As to Item No. 1 - Those items, with the exception of all related invoices were mailed to Viking Petroleum, Inc.'s attorney, at his request, on August 18, 1982.

3. As to Item No. 2 - That information is contained in copies of the Daily Drilling Report for the Seymour State Com #1 well and in copies of the Application for Multiple Completion, Form C-107, both of which were mailed to Viking Petroleum, Inc.'s attorney, at his request, on August 18, 1982.

4. The above-listed documents represent a significant cost in time, effort, and material on the part of Harvey E. Yates Company.

5. Inasmuch as Viking Petroleum, Inc. or its attorney has already received from Harvey E. Yates Company copies of documents containing all the information sought in Items 1 and 2 of the said Subpoena Duces Tecum, said Subpoena Duces Tecum represents an unnecessary, unreasonable and oppressive demand upon Harvey E. Yates Company.

WHEREFORE, Harvey E. Yates Company prays:

A. That the said Subpoena Duces Tecum be quashed as an unnecessary, unreasonable and oppressive demand upon Harvey E. Yates Company.

B. That if the Subpoena Duces Tecum is not quashed, Viking Petroleum, Inc., be required to establish why it is unable to obtain from within its own organization, or from its own attorney, documents and information it has already been furnished.

C. That if the Subpoena Duces Tecum, as written or as modified, is upheld, that Viking Petroleum, Inc., be required to advance to Harvey E. Yates Company, the reasonable costs of producing the required documents.

D. For such additional relief as the Oil Conservation Commission may deem just and proper.

Respectfully submitted,

HARVEY E. YATES COMPANY

By: Thomas J. Hall, III
Attorney

This is to certify that a copy of ~~the~~ delivered
the foregoing motion was ~~mailed~~ to
counsel for Viking Petroleum, Inc.,
and to counsel for the Commission
this 23rd day of August, 1982.

Thomas J. Hall, III

HEYCO **HARVEY E. YATES COMPANY**

PETROLEUM PRODUCERS

P O BOX 1933 SUITE 300 SECURITY NATIONAL BANK BUILDING 505/623-6601

ROSWELL NEW MEXICO 88201

August 18, 1982

Viking Petroleum, Inc.
2700 Center Building
2761 East Skelly Drive
Tulsa, Oklahoma 74105

Re: SEYMOUR STATE COM #1
Section 18
T-9S, R-27E, N.M.P.M.
Chaves County, New Mexico
OCC Order No. R-6873

Gentlemen:

Enclosed, pursuant to the requirements of Commission Order No. R-6873, is an itemized schedule of actual well costs on the above-referenced well. The schedule contains all costs through July 31, 1982. Although additional invoices may be received, we do not, at this time, anticipate receiving any.

Sincerely,

Thomas J. Hall, III
Attorney

TJH:seb

Enclosures

P 324 561 255

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Viking Petroleum, Inc.
STREET AND NO. 2761 East Skelly Drive
P.O. STATE AND ZIP CODE Tulsa, Oklahoma 74105

POSTAGE	$2.70
CERTIFIED FEE	.75
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	.60
RETURN RECEIPT SERVICE	
OPTIONAL SERVICES	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$4.05
POSTMARK OR DATE	Schedule of well costs - Seymour State Com #1

PS Form 3800, Apr. 1976

HEYCO

PETROLEUM PRODUCERS

HARVEY E. YATES COMPANY

P O BOX 1933 SUITE 300 SECURITY NATIONAL BANK BUILDING 505/623-6601
ROSWELL NEW MEXICO 88201

CERTIFIED - RETURN RECEIPT REQUESTED

August 18, 1982

Mr. Arturo L. Jaramillo, Esq.
Jones, Gallegos, Snead & Wertheim
Post Office Box 2228
Santa Fe, New Mexico 87501

Re: SEYMOUR STATE COM #1
Section 18
T-9S, R-27E, N.M.P.M.
Chaves County, New Mexico
(HEYCO Ref: 9142)

Dear Art:

In connection with the Oil Conservation Commission hearing to be held August 26th, enclosed are copies of HEYCO's proposed exhibits.

1. HEYCO's Daily Drilling Report on the well.
2. C-107 Application for Multiple Completion with attachments (less logs).

Also enclosed is a copy of an itemized list of costs on the well.

Sincerely,

Thomas J. Hall, III
Attorney

TJH:seb

Enclosures

P 324 561 258

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Arturo L Jaramillo, Esq.
STREET AND NO.
P O. Box 2228
P.O. STATE AND ZIP CODE
Santa Fe, N.M. 87501

POSTAGE		$
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	¢
OPTIONAL SERVICES	SPECIAL DELIVERY	¢
OPTIONAL SERVICES	RESTRICTED DELIVERY	¢
OPTIONAL SERVICES / RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	¢
OPTIONAL SERVICES / RETURN RECEIPT SERVICE	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
OPTIONAL SERVICES / RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
OPTIONAL SERVICES / RETURN RECEIPT SERVICE	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES		$

POSTMARK OR DATE

SEYMOUR STATE COM #1
Daily Drilling Reports
C-107 Application

PS Form 3800, Apr. 1976

CASE NO. 7390
CASE NO. 7657
SUBPOENA DUCES TECUM CASE NO. 7658

THE STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

To THOMAS J. HALL -- HARVEY E. YATES COMPANY Greeting:

We command you to be and appear August 26, 1982 before the Oil Conservation Commission of the State of New Mexico, at The Oil Conservation Commission Conference Room in the State Land Office Building, in the City of Santa Fe, then and there to testify in the Case of Application of Harvey E. Yates in Case No. 7390, 7657 & 7658, on behalf of Viking Petroleum, Inc., and also that you bring with you and produce at the time and place aforesaid (1) all documents and reports reflecting, on an item by item basis, the costs incurred by Harvey E. Yates in drilling, completing and operating that certain well identified as Seymore State No. 1 in Sec. 18, T. - 9 S, R-27E, Chaves County New Mexico, including all monthly well and operations analysis reports and all other summaries of costs incurred, together with all invoices for tangible and intangible costs relating to the described well. (2) (continued - see attached)

And this do you under penalty of the law

WITNESS JOE D. RAMEY, Secretary-Director of the Oil Conservation Commission of the State of New Mexico, and the seal of said Commission, this 18 day of August A.D. 1982

Joe D. Ramey

(2) all documents and reports constituting or reflecting the results of each and every test performed by or on behalf of Harvey E. Yates as operator of the described well, for determining the rate of flow of natural gas from each of the formations underlying the Seymore State No. 1 well described above.

JONES, GALLEGOS, SNEAD & WERTHEIM

August 19, 1982

HAND-DELIVERED

W. Perry Pearce
General Counsel
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

RE: Applications of Harvey E. Yates Co.
Case Nos. 7390, 7657 & 7658

Dear Mr. Pearce:

We have made effort upon effort to obtain from Harvey E. Yates & Co. on a voluntary basis drilling expenses and well testing data on the well which is the subject of this proceeding. All of that having failed we are requesting that the OCC issue the enclosed Subpoena Duces Tecum and cause service of it immediately.

From conversations you have had with Arthur Jaramillo I understand that there is no procedure whereby discovery can be obtained in advance of the hearing. Under the circumstances, we will be forced to seek a continuance of the August 26, 1982 hearing in order to have a reasonable opportunity to examine and study the information produced.

Very truly yours,

JONES, GALLEGOS, SNEAD
& WERTHEIM, P.A.

By J. E. GALLEGOS

JEG:hvm

Enclosures

CASE NO. 7390
CASE NO. 7657
CASE NO. 7658

SUBPOENA DUCES TECUM

THE STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

To THOMAS J. HALL -- HARVEY E. YATES COMPANY Greeting:

We command you to be and appear August 26, 1982 before the Oil Conservation Commission of the State of New Mexico, at The Oil Conservation Commission Conference Room in the State Land Office Building, in the City of Santa Fe, then and there to testify in the Case of Application of Harvey E. Yates in Case No. 7390, 7657 & 7658,

on behalf of Viking Petroleum, Inc.,

and also that you bring with you and produce at the time and place aforesaid (1) all documents and reports reflecting, on an item by item basis, the costs incurred by Harvey E. Yates in drilling, completing and operating that certain well identified as Seymore State No. 1 in Sec. 18, T. - 9 S, R-27E, Chaves County New Mexico, including all monthly well and operations analysis reports and all other summaries of costs incurred, together with all invoices for tangible and intangible costs relating to the described well. (2) (continued - see attached)

And this do you under penalty of the law

WITNESS JOE D. RAMEY, Secretary-Director of the Oil Conservation Commission of the State of New Mexico, and the seal of said Commission, this 18 day of August A.D. 1982

Joe D. Ramey

SHERIFF'S RETURN

I, _____ Sheriff of _____ County, State of New Mexico, do hereby certify, that I served the within Subpoena Duces Tecum on the _____ day of _____ by delivering a copy thereof, in _____ County, State of New Mexico, to _____

_____

Dated: _____

_____ Sheriff

SUBPOENA

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
COUNTY OF SANTA FE

APPLICATION OF

HARVEY E. YATES COMPANY

No. 7390, 7657, & 7658

(2) all documents and reports constituting or reflecting the results of each and every test performed by or on behalf of Harvey E. Yates as operator of the described well, for determining the rate of flow of natural gas from each of the formations underlying the Seymore State No. 1 well described above.

JONES, GALLEGOS, SNEAD & WERTHEIM

June 28, 1982

HAND-DELIVERED

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico State Land Office
Santa Fe, New Mexico 87501

RE: Order No. R-6873
Application of Harvey E. Yates Co.
Case No. 7390

Dear Mr. Ramey:

Viking Petroleum Company objects to the request of Harvey E. Yates Company mailed on June 24, 1982 for non-rescission of the Order in Case No. 7390. If the Order is not already terminated by its own terms, at least the operator should be required to show cause why it should not be rescinded.

Enclosed is a pleading expressing the formal objection of Viking Petroleum Company.

Very truly yours,

JONES, GALLEGOS, SNEAD
& WERTHEIM, P.A.

By J. E. Gallegos
J. E. GALLEGOS

JEG:hvm

Enclosure

cc: Thomas J. Hall III, Esq.
Mr. Jim Brooks
Mr. Jack Grynberg

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING: APPLICATION OF HARVEY E. YATES COMPANY FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.	CASE NO. 7390 Order No. R-6873

OBJECTION TO NON-RESCISSION OF ORDER

Viking Petroleum Company, by its attorneys, objects to Order No. R-6873 not being immediately rescinded and as grounds states:

1. On January 7, 1982 Order No. R-6873 was entered in this proceeding designating Harvey E. Yates Company as the operator to commence the drilling of a well on 320 acres of gas spacing and prorated gas units consisting of pooled mineral interests underlying the W/2 of Sec. 18, T9S, R27E, Chaves County, New Mexico through the Ordovician formation. It is expressly provided that such pooling of mineral interests was subject to the Order: "...that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) [pooling of mineral interests] of this Order should not be rescinded."

2. The operator commended drilling of the designated well on February 11, 1982. One Hundred Twenty (120) days expired on June 10, 1982 and the well had not been and has not been completed.

3. The operator has not proceeded in the drilling of the designated well prudently and with due diligence. On March 20, 1982 drilling was stopped and the drilling rig released. Using due diligence it would have taken a competent operator, at the most, 15 additional days after the cessation of drilling in order to accomplish completion of the well.

4. The actions of the operator are resulting in unwarranted and excessive cost and delay and loss of potential market for the gas all to the damage of other mineral interest holders in the drilling unit, in particular Viking Petroleum Company.

WHEREFORE, it prays that Order R-6873 be recognized as having been rescinded by its own terms, or in the alternative, Harvey E. Yates Company be required to show cause at public hearing why the Order should not be rescinded.

VIKING PETROLEUM COMPANY

By 

J. E. GALLEGOS
Its Attorney
P. O. Box 2228
Santa Fe, New Mexico 87501

CERTIFICATE OF MAILING

I hereby certify that I did on the 28th day of June, 1982, mail a true copy of the foregoing Objection To Non-Rescission of Order, to opposing counsel of record, Thomas J. Hall III, Esq., by first class mail, postage prepaid.

J. E. GALLEGOS

HEYCO

PETROLEUM PRODUCERS

HARVEY E. YATES COMPANY

P O BOX 1933 — SUITE 300 SECURITY NATIONAL BANK BUILDING — 505/623-6601

ROSWELL NEW MEXICO 88201

June 24, 1985

CERTIFIED - RETURN RECEIPT REQUESTED

OIL CONSERVATION DIVISION
SANTA FE

Mr. Joe D. Ramey, Director
Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Set for Hearing

Case 890

Case 8977

Re: Order No. R-6873
Compulsory Pooling
Seymour State Com #1
Chaves County, New Mexico
(HEYCO Ref: 9142)

Dear Mr. Ramey:

Order No. R-6873 pooled all mineral interests down through the Ordovician formation underlying the W/2 of Section 18, Township 9 South, Range 27 East, N.M.P.M., Chaves County, New Mexico.

The order required HEYCO to complete the well within 120 days or show cause why the order should not be rescinded. Primarily because of the hearing on the compulsory pooling application and of the subsequent appeal of the order, HEYCO did not complete the well within 120 days. However, after moving the rotary rig onto the site on February 11th, HEYCO was diligent in its efforts to complete the well and it did finally complete the well in both the Atoka and in the Abo.

HEYCO would request that the order not be rescinded.

Sincerely,

Thomas J. Hall III
Attorney

TJH:j

Enclosures: Order No. R-6873
Drilling Reports

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 7390
Order No. R-6873

APPLICATION OF HARVEY E. YATES COMPANY FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 24, 1981, and was continued, readvertised, and reopened on December 22, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 7th day of January, 1982, the Commission having considered the testimony and the exhibits, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks an order pooling all mineral interests down through the Ordovician formation underlying the W/2 of Section 18, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location on said 320-acre tract.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11)) That $3550.00 per month while drilling and $355.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before March 1, 1982, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, down through the Ordovician formation underlying the W/2 of Section 18, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location on said 320-acre tract.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of March, 1982, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Ordovician formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of March, 1982, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Oil Conservation Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Harvey E. Yates Company is hereby designated the operator of the subject well and unit.

(3) That within 20 days after the effective date of this order, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 15 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days

following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That $3550.00 per month while drilling and $355.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a

one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Chaves County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EMERY C. ARNOLD, Chairman

ALEX J. ARMIJO, Member

JOE D. RAMEY, Member & Secretary

S E A L

96824
YATES ENERGY CORP
SUITE 919 SECURITY NATIONAL BA
ROSWELL NEW MEXICO

PROSPECT SEYMOUR STATE #1
LOCATION 660' FNL & 1980' FWL, SEC 18,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TO 6350
CONTRACTOR DRLG - HORIZON
****

01/20/82 NO REPORT

02/23/82 DAY 16, OPERATION - DRLG, DEPTH - 3830', PROGRESS - 530', FORMATION - LI & SH. DEV - 3/4 DEG @ 3309' & 3800'. DRLG 23 HRS, TOTCOS 3/4 HR, SR 1/4 HR.

02/24/82 DAY 12, OPERATION - DRLG, DEPTH - 4295', PROGRESS - 465', FORMATION - LI. DRLG W/WTR 9.9#, PH 8. DRLG 23-1/2 HRS, SR 1/2 HR.

02/25/82 DAY 18, OPERATION - DRLG, DEPTH - 4447', PROGRESS - 85', FORMATION - LI. DEV - 1 DEG @ 4301'. MW 9#, VIS 31, PH 8. DRLG 12-1/2 HRS, TRIPS 8 HRS, TOTCOS 1/2 HR, CIRC 1-1/2 HR, REPAIRS 1 HR, WASH TO TD 3/4 HR, YELLOW JACKET BOP 1/2 HR.

02/26/82 DAY 19, OPERATION - DRLG, DEPTH - 4636', PROGRESS - 189', FORMATION - SH. MW 9.9#, VIS 38, PH 8.5, WL 18, CL 150,000, SOLIDS 2%. DRLG 23-3/4 HRS, SR 1/4 HR.

02/27/82 DAY 20, OPERATION - DRLG, DEPTH - 4880', PROGRESS - 244', FORMATION - SH. DEV - 3/4 DEG @ 4813'. MW 10.1#, VIS 32, PH 8.5, WL 16, FC 1/32, CL 98,000, SOLIDS 5%. DRLG 23-1/2 HRS, TOTCOS 1/4 HR, SR 1/4 HR.

02/28/82 DAY 21, OPERATION - DRLG, DEPTH - 5118', PROGRESS - 282', FORMATION - SH. MW 10#, VIS 37, PH 9, SL 15, FC 1/32, SOLIDS 3%. DRLG 23-1/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1/4 HR.

03/01/82 DAY 22, OPERATION - DRLG, DEPTH - 5343', PROGRESS - 288', FORMATION - SH. MW 9.9#, VIS 37, PH 8.5, WL 29, FC 2/32, CL 120,000. DEV - 3/4 DEG @ 5300'. DRLG 22-1/2 HRS, TOTCOS 1/2 HR, SR 1/4 HR, REPAIRS 3/4 HR.

03/02/82 DAY 23, OPERATION - DRLG, DEPTH - 5515', PROGRESS - 172', FORMATION - LI & SH. MW 9.1#, VIS 38, PH 8.5, WL 9.6, CL 124,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/03/82 DAY 24, OPERATION - DRLG, DEPTH - 5695', PROGRESS - 180', FORMATION - LI & SH. MW 9.9#, VIS 37, PH 8.5, WL 16, FC 2/32, CL 116,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/04/82 DAY 25, OPERATION - DRLG, DEPTH - 5815', PROGRESS - 140', FORMATION - SH & DOLO. DEV - 3/4 DEG @ 5825'. MW 9.8#, VIS 40, PH 8, WL 16, CL 108,000, SOLIDS 4%. DRLG 21-3/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1-3/4 HRS.

03/05/82 DAY 26, OPERATION - DRLG, DEPTH - 5910', PROGRESS - 75', FORMATION - LI & DOLO. MW 9.8#, VIS 40, PH 8, WL 16, FC 2/32, CL 108,000, SOLIDS 4%. DRLG 13-3/4 HRS, TRIPS 6-1/2 HRS, SR 1/4 HR, CIRC 1/2 HR, WASH TO TD 1/2 HR, CUT DRLG LINE & CHG OIL 2-1/2 HRS.

03/06/82 DAY 27, OPERATION - DRLG, DEPTH - 6018', PROGRESS - 106',

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ROSWELL NEW MEXICO

PROSPECT SEYMOUR STATE #1
LOCATION 660' FNL & 1980' FWL, SEC 18,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350
CONTRACTOR DRLG - HORIZON
****

FORMATION - LI & SH. MW 9.9#, VIS 44, PH 8, WL 17, FC 2/32, CL 100,000. DRLG 23-3/4 HRS, SR 1/4 HR.

03/07/82 DAY 28, OPERATION - TIH FOR DST #2, DEPTH - 6050', PROGRESS-32', FORMATION - LI & SH. DEV - 1 DEG @ 6050'. MW 9.9#, VIS 45, PH 8.5, WL 12, FC 2/32, CL 98,000. DRLG 6-3/4 HRS, TRIPS 8 HRS, CIRC 6-1/4 HRS, PU TST TOOL 3-1/2 HRS, LAY FLOW LINE 1/2 HR.

03/08/82 DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS. INTER FR 5885' TO 6050'.

DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS.

03/09/82 DAY 30, OPERATION - CIRC FOR DST #2, DEPTH - 6140', PROGRESS 90', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 7.5, WL 15, FC 2/32, CL 106,000. DRLG 6-1/2 HRS, TRIPS 11 HRS, CIRC 6-1/2 HRS. DST #3 INTER 6055' TO 6140'.
DST #2: INTER 5885' TO 6050' (165'). TOOL OPENED W/VERY STRONG BLOW, GTS IN 5 MINS. TOOL RE-OPENED W/IMMEDIATE GTS.

IHP - 3091#	30" FFP - 1704#
15" IFP - 1471#	120" FSIP - 2443#
60" ISIP - 2246#	FHP - 3104#

1/2: CK. 5.5 MMCF.

03/10/82 DAY 28, OPERATION - TIH W/DST #3, DEPTH - 6140', PROGRESS - 0', FORMATION - LI & SH. DEV - 1 DEG @ 6140'. MW 10#, VIS 42, PH 7.5, WL 7, FC 2/32, CL 106,000. TRIPS 11-3/4 HRS, TOTCOS 1/2 HR, CIRC 2-1/2 HRS, CUT DRLG LINE 1 HR, PU TST TOOL & RIH 6-1/4 HRS. STOPPED @ 5960'. LD TST TOOL, TIH W/BIT TO CIRC.
NOTE - ADDITIONAL INFO ON DST #2. NO FLUID IN SAMPLER, 800 PSI, 2.34 CU FT GAS. 850 PSI ON 1/2" CK. RATE 5.2 MMCFD.

03/11/82 DAY 29, OPERATION - DST #3, DEPTH - 6140', NO PROGRESS, FORMATION - LI & SH. MW 10#, VIS 65, PH 8, WL 7, FC 2/32, CL 110,000. TRIPS 8-1/4 HRS, CIRC 6 HRS, WASH TO BTM 1-3/4 HRS, REPAIR RIG 1-1/2 HRS, DST 6-1/2 HRS. DST #3 INTER FR 6055' TO 6140'.

03/12/82 DAY 30, OPERATION - CIRC FOR DST, DEPTH - 6191', PROGRESS - 51', FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 106,000. DRLG 6-3/4 HRS, SR 1/4 HR, CIRC 2-3/4 HRS, DST

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ROSWELL NEW MEXICO

PROSPECT SEYMOUR STATE #1
LOCATION 660' FNL & 1980' FWL, SEC 18,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350
CONTRACTOR DRLG - HORIZON
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#3 14-1/4 HRS. DST #4 FR 6158' TO 6191'. DST #3: INTER 6055' TO 6140' (85'). TOOL OPENED W/VERY GOOD BLOW. GTS IN 4 MINS. RE-OPENED W/GTS IMMEDIATELY, STAB W/450 PSI.
IHP - 3185# 90" FFP - 772#-1057#
30" IFP - 1022#-1154# 120" FSIP - 2325#
60" ISIP - 2325# FHP - 3131#
REC 500' GCM & COND. SAMPLER: 200 CC GCM & COND, 6.69 CU FT GAS, 950 PSI, BHT 118 DEG F.

03/13/82 DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.
IHP - 3188# 90" FFP - 832#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2258# FHP - 3209#
REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.
DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LO. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.
IHP - 3188# 90" FFP - 832#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2258# FHP - 3209#
REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.

03/14/82 DAY 32, OPERATION - DRLG, DEPTH - 6312', PROGRESS - 121', FORMATION - LI. MW 9.9#, VIS 58, PH 7.5, WL 11, FC 2/32, CL 95,000, SOLIDS 4%. DRLG 16 HRS, TRIPS 4 HRS, REPAIRS 3/4 HR, WASH TO BTM 1-1/4 HRS, BRK DN & LOAD OUT TST TOOLS 2 HRS.
DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/15/82 DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/16/82 DAY 34, OPERATION - CUT DRLG LINE, DEPTH - 6385' TD, FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. TRIPS 8-1/2 HRS, CUT OFF DRLG LINE 1-1/2 HRS, DST

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ROSWELL NEW MEXICO

PROSPECT — SEYMOUR STATE #1
LOCATION — 660' FNL & 1980' FWL, SEC 18, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350
CONTRACTOR — DRLG - HORIZON

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5 HRS, WOU 3 HRS, MAKE UP & LD TST TOOL 5 HRS, RU FLARE 1 HR. DST #5: INTER 6350' TO 6385' (35'). TOOL OPENED W/WK BLOW, RE-OPENED W/VERY WEAK BLOW.

IHP - 3269# 90" FFP - 14#-14#
30" IFP - 14#-14# 120" FSIP - 40#
60" ISIP - 40# FHP - 3355#

REC 15' DF. SAMPLER: 50 CC OF, 20 PSI, BHT 118 DEG F.

03/17/82 DAY 35, OPERATION - LOGGING, DEPTH - 6385' TD. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000, SOLIDS 6%. TRIPS 5-1/2 HRS, WIRELINE LOGS 10-1/4 HRS, REAM & WASH 3-1/2 HRS C & CK MUD 3-1/2 HRS, CUT OFF DRLG LINE 1-1/4 HRS.

03/18/82 DAY 35, OPERATION - RNG 5-1/2" CSG, DEPTH - 6385' TD, FORMATION - GRANITE. MW 9.9#, VIS 60, PH 7, WL 16, FC 2/32, CL 108,000. TRIPS 4 HRS, CIRC 3 HRS, LD DP 9 HRS, LOGGING 2-1/2 HRS, RNG 5-1/2" CSG 1-1/2 HRS, WO CSG CREW 4 HRS.

03/19/82 DAY 36, OPERATION - WOC, DEPTH - 6385' TD. MW 9.9#, VIS 60, PH 7, WL 16, FC 2/32, CL 106,000. CIRC 7-3/4 HRS, RAN 5-1/2" CSG & CMTG 8-1/4 HRS, WOC 8 HRS. CSG & CMTG DETAIL TO FOLLOW.

03/20/82 DAY 37, OPERATION - RD & MORT, DEPTH - 6385' TD. ND 2 HRS, WOC 5 HRS. RIG RELEASED @ 2:00 P.M., 3/19/82. CSG DETAIL FOR 3/19/82: RAN 166 JTS (6656.25') 5-1/2" 15.5# J-55 LT&C NEW CSG AND SET @ 6343.22'. CMTD 1ST STAGE W/190 SX CLASS "H" PLUS 1/4# FLOCELE, 6# SALT, 5% HALAD R, 3/4% CFR-2 & 10% 100 MESH SD. PD & HELD @ 2:30 PM, 3/18/82. 2ND STAGE CMTD W/1300 SX 50/50 POZ MIX PLUS 4% GEL. PLUG DID NOT LAND. TAIL IN W/100 SX CLASS "C" NEAT.

03/21/82 RD & MORT.

03/22/82 WOCU.

999H0
HEYCO
PO BOX 1733
ROSWELL NEW MEXICO

PROSPECT — SKYLOOP STATE #1
LOCATION — 660' FNL & 1730' FWL, SEC 16, T-9-S, R-27-E, CHAVES CO., NM
PROJECTED TD — 6350'
CONTRACTOR — ORLL - HORIZON
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01/20/82 NO REPORT

02/23/82 DAY 1A, OPERATION - DRLG, DEPTH - 3430', PROGRESS - 510', FORMATION - LI & SH. DEV - 3/4 DEG @ 3307' & 3600'. DRLG 23 HRS. TOTCOS 3/4 HR. SR 1/4 HR.

02/24/82 DAY 12, OPERATION - DRLG, DEPTH - 4295', PROGRESS - 465', FORMATION - LI. DRLG W/WTR 9.2#, PH 8. DRLG 23-1/2 HRS. SR 1/2 HR.

02/25/82 DAY 13, OPERATION - DRLG, DEPTH - 4447', PROGRESS - 95', FORMATION - LI. DEV - 1 DEG @ 4301'. MW 9#, VIS 31, PH 8. DRLG 12-1/2 HRS. TRIPS 3 HRS. TOTCOS 1/2 HR. CIRC 1-1/2 HR. REPAIRS 1 HR. WASH TO TD 3/4 HR. YELLOW JACKET COP 1/2 HR.

02/26/82 DAY 19, OPERATION - DRLG, DEPTH - 4636', PROGRESS - 189', FORMATION - SH. MW 9.9#, VIS 35, PH 8.5, WL 18, CL 150,000, SOLIDS 2%. DRLG 23-3/4 HRS. SR 1/4 HR.

02/27/82 DAY 20, OPERATION - DRLG, DEPTH - 4880', PROGRESS - 244', FORMATION - SH. DEV - 3/4 DEG @ 4813'. MW 10.1#, VIS 32, PH 8.5, WL 16, FC 1/32, CL 98,000, SOLIDS 5%. DRLG 23-1/2 HRS. TOTCOS 1/4 HR. SR 1/4 HR.

02/28/82 DAY 21, OPERATION - DRLG, DEPTH - 5113', PROGRESS - 282', FORMATION - SH. MW 10#, VIS 37, PH 9, WL 15, FC 1/32, SOLIDS 3%. DRLG 23-1/4 HRS. TOTCOS 1/4 HR. SR 1/4 HR. REPAIRS 1/4 HR.

03/01/82 DAY 22, OPERATION - DRLG, DEPTH - 5343', PROGRESS - 288', FORMATION - SH. MW 9.9#, VIS 37, PH 8.5, WL 29, FC 2/32, CL 120,000. DEV - 3/4 DEG @ 5300'. DRLG 22-1/2 HRS. TOTCOS 1/2 HR. SR 1/4 HR. REPAIRS 3/4 HR.

03/02/82 DAY 23, OPERATION - DRLG, DEPTH - 5515', PROGRESS - 172', FORMATION - LI & SH. MW 9.1#, VIS 38, PH 8.5, WL 9.6, CL 124,000, SOLIDS 4%. DRLG 23-3/4 HRS. SR 1/4 HR.

03/03/82 DAY 24, OPERATION - DRLG, DEPTH - 5695', PROGRESS - 180', FORMATION - LI & SH. MW 9.9#, VIS 37, PH 8.5, WL 16, FC 2/32, CL 116,000, SOLIDS 4%. DRLG 23-3/4 HRS. SR 1/4 HR.

03/04/82 DAY 25, OPERATION - DRLG, DEPTH - 5815', PROGRESS - 140', FORMATION - SH & LIME. DEV - 3/4 DEG @ 5825'. MW 9.8#, VIS 40, PH 8, WL 16, CL 108,000, SOLIDS 4%. DRLG 21-3/4 HRS. TOTCOS 1/4 HR, SR 1/4 HR. REPAIRS 1-3/4 HRS.

03/05/82 DAY 26, OPERATION - DRLG, DEPTH - 5910', PROGRESS - 75', FORMATION - LI & LIME. MW 9.8#, VIS 40, PH 8, WL 15, FC 2/32, CL 108,000, SOLIDS 4%. DRLG 13-3/4 HRS. TRIPS 6-1/2 HRS. SR 1/4 HR. CIRC 1/2 HR. WASH TO TD 1/2 HR. CUT DRLG LINE & CHG OIL 2-1/2 HRS.

03/06/82 DAY 27, OPERATION - DRLG, DEPTH - 6018', PROGRESS - 106',

99950
MEVCO
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT [illegible] STATE #1
LOCATION [illegible]' FNL & 1980' FWL, SEC 18,
T-[illegible], R-27E, CHAVES CO., NM
PROJECTED TD 6150
CONTRACTOR [illegible] - MORIN

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FORMATION - LI & SH. MW 9.8#, VIS 44, PH 8, WL 17, FC 2/32, CL 100,000. DRLG 23-3/4 HRS, SR 1/4 HR.

03/07/82 DAY 26, OPERATION - TIH FOR DST #2, DEPTH - 6050', PROGRESS-32', FORMATION - LI & SH. DEV - 1 DEG @ 6050'. MW 9.9#, VIS 45, PH 8.5, WL 12, FC 2/32, CL 98,000. DRLG 6-3/4 HRS, TRIPS 5 HRS, CIRC 6-1/4 HRS, PU TST TOOL 3-1/2 HRS, LAY FLOW LINE 1/2 HR.

03/08/82 DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS. INTVL FR 5885' T' 6050'.

DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS.

03/09/82 DAY 30, OPERATION - CIRC FOR DST #3, DEPTH - 6140', PROGRESS 90', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 7.5, WL 15, FC 2/32, CL 106,000. DRLG 6-1/2 HRS, TRIPS 11 HRS, CIRC 6-1/2 HRS. DST #3 INTVL 6055' TO 6140'.
DST #2 INTVL 5885' TO 6050' 165'. TOOL OPENED W/VERY STRONG BLOW, GTS IN 5 MINS. TOOL RE-OPENED W/IMMEDIATE GTS.

	IHP - 3091#	30	FFP - 1704#
15	IFP - 1471#	120	FSIP - 2443#
60	ISIP - 2246#		FHP - 3104#

1/2 CK. 5.5 MMCF.

03/10/82 DAY 28, OPERATION - TIH W/DST #3, DEPTH - 6140', PROGRESS - 0', FORMATION - LI & SH. DEV - 1 DEG @ 6140', MW 10#, VIS 42, PH 7.5, WL 7, FC 2/32, CL 106,000. TRIPS 11-3/4 HRS, TOTCOS 1/2 HR, CIRC 2-1/2 HRS, CUT DRLG LINE 1 HR, PU TST TOOL & RIH 6-1/4 HRS. STOPPED @ 5960'. LD TST TOOL, TIH W/BIT TO CIRC.
NOTE - ADDITIONAL INFO ON DST #2. NO FLUID IN SAMPLER, 300 PSI, 2.34 CU FT GAS, 850 PSI ON 1/2 CK. RATE 5.2 MMCFD.

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FT GAS, 950 PSI, BHT 118 DEG F.

03/13/82 DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.

IHP - 3188# 90" FFP - 832#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2259# FHP - 3209#

REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.

DAY 31, OPERATION - LD TST TOOL, DEPTH - 6191', NO PROGRESS, FORMATION - LO. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 100,000. TRIPS 11 HRS, SR 1/4 HR, CIRC 1 HR, REPAIRS 3/4 HR, DST 9 HRS, PU TST TOOL 2 HRS. DST #4: INTER 6155' TO 6191' (36'). TOOL OPENED W/FAIR BLOW.

IHP - 3188# 90" FFP - 832#
30" IFP - 121# 120" FSIP - 2285#
60" ISIP - 2258# FHP - 3209#

REC 1395' SULPHUR WTR, VERY LITTLE GAS. SAMPLER: 2500 CC SULPHUR WTR. BHT 120 DEG F.

03/14/82 DAY 32, OPERATION - DRLG, DEPTH - 6312', PROGRESS - 121', FORMATION - LI. MW 9.9#, VIS 58, PH 7.5, WL 11, FC 2/32, CL 95,000, SOLIDS 4%. DRLG 16 HRS, TRIPS 4 HRS, REPAIRS 3/4 HR, WASH TO BTM 1-1/4 HRS, BRK DN & LOAD OUT TST TOOLS 2 HRS.

DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/15/82 DAY 33, OPERATION - DST #5, DEPTH - 6385', PROGRESS - 73', FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. DRLG 12-1/2 HRS, TRIPS 5 HRS, SR 1/4 HR, CIRC 4 HRS, PU DST TOOL 2 HRS.

03/16/82 DAY 34, OPERATION - CUT DRLG LINE, DEPTH - 6385' TD, FORMATION - GRANITE. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000. TRIPS 8-1/2 HRS, CUT OFF DRLG LINE 1-1/2 HRS, DST 5 HRS, WOO 3 HRS, MAKE UP & LD TST TOOL 5 HRS, RU FLARE 1 HR. DST #5: INTER 6350' TO 6385' (35'). TOOL OPENED W/WK BLOW, RE-OPENED W/VERY WEAK BLOW.

IHP - 3269# 90" FFP - 14#-14#
30" IFP - 14#-14# 120" FSIP - 40#
60" ISIP - 40# FHP - 3355#

REC 15' DF. SAMPLER: 50 CC DF, 20 PSI, BHT 118 DEG F.

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03/17/82 DAY 35, OPERATION - LOGGING, DEPTH - 6385' TD. MW 10#, VIS 56, PH 7, WL 16, FC 2/32, CL 108,000, SOLIDS 6%. TRIPS 5-1/2 HRS, WIRELINE LOGS 10-1/4 HRS, REAM & WASH 3-1/2 HRS C & CM MUD 3-1/2 HRS, CUT OFF DRLG LINE 1-1/4 HRS.

03/18/82 DAY 35, OPERATION - RNG 5-1/2" CSG, DEPTH - 6385' TD, FORMATION - GRANITE. MW 9.9#, VIS 60, PH 7, WL 16, FC 2/32, CL 108,000. TRIPS 4 HRS, CIRC 3 HRS, LD DP 9 HRS, LOGGING 2-1/2 HRS, RNG 5-1/2" CSG 1-1/2 HRS, WO CSG CREW 4 HRS.

03/19/82 DAY 36, OPERATION - WOC, DEPTH - 6385' TD. MW 9.9#, VIS 60, PH 7, WL 16, FC 2/32, CL 106,000. CIRC 7-3/4 HRS, RAN 5-1/2" CSG & CMTG 8-1/4 HRS, WOC 8 HRS. CSG & CMTG DETAIL TO FOLLOW.

03/20/82 DAY 37, OPERATION - RU & MORT, DEPTH - 6385' TD. ND 2 HRS, WOC 5 HRS. RIG RELEASED @ 2:00 P.M., 3/19/82. CSG DETAIL FOR 3/19/82: RAN 165 JTS (6656.25') 5-1/2" 15.5# J-55 LT&C NEW CSG AND SET @ 6343.22'. CMTD 1ST STAGE W/190 SX CLASS "H" PLUS 1/4# FLOCELE, 6# SALT, 5% HALAD 9, 3/4% CFR-2 & 10% 100 MESH SD. PD & HELD @ 2:30 PM, 3/18/82. 2ND STAGE CMTD W/1300 SX 50/50 POZ MIX PLUS 4% GEL. PLUG DID NOT LAND. TAIL IN W/100 SX CLASS "C" NEAT.

03/21/82 RD & MORT.

03/22/82 WOCU.

03/23/82 WOCU.

03/24/82 WOCU. DROPPED FROM REPORT UNTIL FURTHER NOTICE.

03/25/82 MI & RUCU.

03/29/82 SD FOR SUNDAY.

03/30/82 TALLY IN HOLE W/4-3/4" BIT, 4 DC'S & 2-7/8" TBG. TAGGED PLUG @ 5324'. RU COMPLETION RENTALS REV UNIT, STRT DRLG OUT. PLUG IN CMT. DRLD TO 5353'. SDFN.

03/31/82 START BACK DRLG @ 5353'. DRLD GOOD CMT TO 5489' (DV TOOL). WORK BIT UP & DOWN THROUGH DV TOOL, PRESSURE TST TO 2500 PSI/30 MIN; HELD OK. SDFN.

04/01/82 TALLY IN HOLE TO 6319' PBTD. POH W/TBG; GIH W/BIT, CSG SCRAPER, 4 DC'S, & 2-7/8" TBG. TAG UP PBTD @ 6319'. RU REV UNIT & CIRC HOLE W/3% KCL WTR. POH & REL COMPLETION RENTAL REV EQUIP. SDFN.

04/02/82 RU GEO VANN TO LOG WELL, PBTD 6307'. DV TOOL @ 5504', TOC @ 2370'. FIN PROD LOGS & SD DUE TO WIND.

04/03/82 DID NOT PERF MISS ZONE; UNABLE TO RUN TBG & PKR BECAUSE OF HIGH WINDS. SD.

04/04/82 PERF'D MISS FORM FR 6075' TO 6079' (4' W/8 SHOTS TOTAL). RIH W/LOK SET PKR, ON/OFF TOOL W/"EL" RECEPTACLE W/1.50" PROFILE, 2-3/8" OD X 4' TBG SUB W/RA MARKER, 2-3/8" EUE X 2-7/8" EUE X-OVER & 2-7/8" TBG. RAN GR/CORRELATION LOG TO

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PROJECTED TD 6350
CONTRACTOR COMPLETION - CHASE
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POSITION PKR @ 6060'. SPACED OUT & SET PKR W/10,000# COMP. REL WIRELINE TRUCK. NU BOP & NU TREE. RU SWB. REC 17 BLW SHOW OF GAS W/EACH SWB RUN & SDFN.

04/05/82 SD FOR SUNDAY.

04/06/82 RU DOWELL & SPOT 500 GALS 20% MSR-100 ACID. FLUSH W/35 BBLS 3% KCL. (TLTR 44 BBLS) MIN PRESS 0 PSI W/RATE OF 1 BPM; MAX PRESS 2800 PSI W/RATE OF 1/8 BPM. PRESS BRK FR 2800 PSI TO 2000 PSI IN 6 MINS. ISIP 1950#, 5" 550#, 10" 500#, 15" 400# 30" 300#, 45" 150#. MADE 5 SWB RUNS, WELL KICKED OFF & LOADED UP 21 MINS LATER & DIED. CONT TO SWB LOAD BACK. REC 41 BL#. RATE EST @ 155 MCFD ON 1/2" CK & 25# FTP. SDFN.

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04/27/82 SITP-SLIGHT BLOW. RU TO SWB. IFL 4000'. MADE 3 SWB RUNS, REC 6 BF. FFL @ SN. RU DOWELL. PMP 250 GAL 20% MSR-100 & FLUSH W/3% KCL. FORM BROKE @ 2800 PSI. INCR RATE TO 1/2 BPM @ 800#. ISIP 300 PSI, 3 MIN VAC. RD DOWELL. RU TO SWB TLTR 43 BBLS. IFL 100', FFL 2600'. REC 51 BBLS-8BBLS OVER-LOAD. NO SHOW OF NATURAL GAS. SDFN.

	AM	PM
SP GR	1.060	1.060
PH	7	7
NA	16,966	16,483
CA	10,000	10,800
MG	3,894	4,746
CL	53,250	56,800
SO4	1,600	1,200
HCO3	1,403	1,220

04/28/82 SITP 50 PSI. BLED TO PIT IN 1". RU TO SWB. IFL 850', FFL 2600'. REC 12 BBLS (20 BBLS OVERLOAD). RD TREE. RU BOP. UNSEAT PKR & POH. RU GEO VANN & SET CIBP @ 6100' & DROP 36' OF CMT ON CIBP. PBTD @ 6064'. SDFN.

04/30/82 4/29/82: GIH W/GEO VANN TO PERF FR 6043' TO 6048 W/2 SPF, 1 4' SUB, 1.50" TBG REL, 2 10' SUBS, VENT, BAKER LOK-SET PKR, ON/OFF TOOL W/1.50" PROFILE, 1 2-3/8" X 2-7/8" X-OVER, 1 JT 2-7/8" TBG, 1 6" LOCATOR SUB & 192 JTS 2-7/8" TBG. RU GEO VANN LOGGERS TO CORRELATE GUNS. RD GEO VANN & SET PKR @ 6005'. RD BOP & RU TREE. DROP BAR TO PERF. FLOW TO PIT FOR 2 HRS. FTP 80# ON 20/64" CK (RATE APPROX 218 MCFD). SDFN.

4/30/82: 13 HR SITP 1750 PSI. FLOW WELL TO PIT (GOOD GAS). FTP STABILIZED @ 80# ON 20/64. RU SWB. REC NO FLUID. FLOWED WELL FOR 6 HRS & FINAL FTP OF 110# ON 20/64 CK. SDFN.

05/01/82 ACIDIZED W/500 GAL 15% MSR 100. FLUSHED W/35 BW. INCR PRES TO 2500 PSI, 1/2 BPM TO 1/4 BPM, ISIP 1800 PSI, 15" 900 PSI. RD DOWELL. SIP 500 PSI. BLED OFF, IFL 1000'. MADE 1 SWB RUN, KICKED OFF FLOWING. FLOWED FOR 1 HR & DIED. MADE ANOTHER SWB RUN, IFL 3100'. KICKED OFF FLOWING. SDFN.

05/02/82 SITP 1700 PSI. BLED TO PIT 15". RU SWB. IFL 4000' & SCATTERED, FFL @ SN. REC 6 BL & AW. KICKED OFF FLOWING & STAB FTP @ 95# ON 20/64" CK, 253 MCFD.

05/03/82 SD FOR SUNDAY.

05/04/82 SITP 1500 PSI. BLEW DOWN IN 15 MIN. RU TO SWB. REC 1 BPL (1/2 OIL & 1/2 WTR). RD SWB. RU DOWELL TO ACIDIZE W/1500 GALS 7-1/2% MSR-100 & 22 BALL SEALERS W/3% KCL TO FLUSH (BALLED OUT). MAX RATE 3 BPM @ 4200#, AVG RATE 2 BPM @

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PROJECTED TD 6350
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2250#, FINAL RATE 1 BPM @ 2250#. ISIP 2000#, 5" 1800#.
TLTR 72 BBLS. RD DOWELL, RU TO SWB. IFL @ SURF, FFL 4500'.
REC 42 BL, 30 BLTR. TR OF OIL ON LAST SWB RUNS. SDFN.

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04/21/82 SITP 0. CONT TO RUN RET IN HOLE. SET RET @ 6015'. RU HOWCO TO SQZ W/150 SX CLASS "H" W/2% HALAD 4. SQZ TO 3500# & HELD. PULL OUT OF RET & REV OUT 30 SX TO PIT. RU COMP RENTALS & GIH W/4-3/4" BIT, 4 DC'S & 2-7/8" TBG. SDFN.

04/22/82 FIN GIH W/TBG, TAGGED CMT @ 6005'. DRLD CMT & SET TO 6060'. CIRC CLEAN & SDFN.

04/23/82 STRT BACK DRLG CMT @ 6062'. DRL CMT @ 6075'. CIRC & CLEAN UP HOLE. TST SQUEEZE TO 3500 PSI. PCH. GIH W/CSG SCRAPER TO TD. CIRC HOLE W/3% KCL WTR. PCH. SDFN.

04/24/82 RD COLLARS & COMPLETION RENTAL. RU GEO VANN & GIH TO PERF 6137' TO 6141' W/2 SPF. RD GEO VANN. GIH W/BAKER LOC-SET PKR, ON/OFF TOOL, PROFILE 1.50", 2-3/8" X-OVER & 2-7/8" TBG. SET PKR @ 6104'. RD BOP & RU TREE. RU TO SWB. IFL @ SURF, FFL 3000'. REC 26 BF. SDFN.

04/25/82 SITP 0 PSI. RU TO SWB. IFL 3300', FFL 5800' & SCATTERED. REC 14 BF. SDFN.

04/26/82 SD FOR SUNDAY.

04/27/82 SITP-SLIGHT BLOW. RU TO SWB. IFL 4000'. MADE 3 SWB RUNS, REC 6 BF. FFL @ SN. RU DOWELL. PMP 250 GAL 20% NSR-100 & FLUSH W/3% KCL. FORM BROKE @ 2800 PSI. INCR RATE TO 1/2 BPM @ 800#. ISIP 300 PSI, 3 MIN VAC. RD DOWELL. RU TO SWB TLTR 43 BBLS. IFL 100', FFL 2600'. REC 51 BBLS-8BBLS OVER-LOAD. NO SHOW OF NATURAL GAS. SDFN.

	AM	PM
SP GR	1.060	1.060
PH	7	7
NA	16,966	16,483
CA	10,000	10,800
MG	3,894	4,746
CL	53,250	56,800
SO4	1,600	1,200
HCO3	1,403	1,220

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LOCATION — 660' FNL & 1980' FWL, SEC 18, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350
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04/14/82 RU CRC & PERF FUSSELMAN 1' INTER @ 6076' W/4 JSPF .44" 22 GR. ACIDIZED PERF'S W/500 GALS 15% HCL. BRK DN PRESS 1650 PSI. PMP IN 1/4 BPM @ 1720 PSI. ATTEMPT TO PMP 1500 GAL ACID TO PERF'S, PRESS INCR TO 2650 PSI. FLOWED & SWBD BACK W/SLIGHT SHOW OF GAS. SDFN.

04/15/82 RU & SWB WELL DRY. REC 3 BBLS. RD SWB & RU DOWELL TO ACIDIZE W/1000 GAL 15% HCL & FLUSH W/3% KCL. ISIP 1200#, 5" 1000#, 10" 800#. RD DOWELL. STRT REC LOAD. 7200 BLTR. BLEW WELL DOWN TO PIT. WELL DIED. RU TO SWB. IFL @ SURF, FFL 5000'. WELL KO FLOWING AFTER 54 BL REC. WELL FLOWING ON 1/2" CK. FTP 35 PSI. SDFN.

04/16/82 IP 150 PSI. BLEW WELL DOWN. SWBG LOAD BACK. IFL @ 4000' & GASSY, FFL 6060' (BTM). SI FOR 1 HR W/NO PRESS INCR. LAST SWB BROUGHT BACK 1/4 TO 1/2 BLW. WTR ANALYSIS INDICATES ACID WTR. SDFN.

04/17/82 SITP 160#. BLEW DOWN TO PIT, GCOD GAS. RU TO SWB. IFL 5400'. MADE 2 RUNS, REC 2 BBLS. RD SWB. RU DOWELL TO ACIDIZE W/2000 GAL 28% NE/FE HCL, AND FLUSH & OVERFLUSH W/3% KCL. ENTIRE JOB TREATED ON A VACUUM. RD DOWELL (100 BBLS TO REC). RU TO SWB. IFL 400', FFL 5300' & SCATTERED. REC 75 BBLS OF LOAD (25 BBLS TO REC). SDFN.
WTR ANALYSIS FR 4/16/82:

	AM	PM
SP GR	1.095	1.105
PH	1	5
CL	96,205	131,350
NA	34,666	34,068

04/18/82 SITP 210 PSI, SOME ACID GAS & MOSTLY NATURAL GAS. BLOW DOWN TO PIT IN 10". RU TO SWB. IFL 4800' & SCATTERED. FFL 5500' & SCATTERED. REC 8 BBLS OF FLUID, 17 BLTR. SDFN.
WTR ANALYSIS FR 4/17/82:

	AM	PM
SP GR	1.055	1.120
PH	5	5
HCO3	122	366
SO4	2,100	2,000
CL	48,635	134,900
MG	4,624	16,794
CA	7,200	18,800
NA	15,566	35,218

04/19/82 SD FOR SUNDAY.

04/20/82 40 HR SITP 200 PSI. BLEW DOWN IN 8 MINS, GCOD GAS. RU TO SWB. IFL 5200', FFL 5500'. REC 4 BLW, GAS AFTER SWB RUNS. RU JIM'S KILL TRUCK & LOAD HOLE W/3% KCL. RD JIM'S. UNSEAT

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PROJECTED TD — 6350
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PKR, RD TREE, RU BOP & POH W/TBG & PKR. GIH W/HOWCO CMT RET & 2-7/8" TBG. SDFN.

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04/08/82 RU GEARHART & RAN TRACER SURVEY. TRACER SURVEY INDICATED FORM WTR COMING FROM INTER OF 6081' - 6091'. RD GEARHART; PREPARE TO SQUEEZE OFF. USED 41 BBLS WTR. SDFN.

04/09/82 RU HALLIBURTON EZ DRL SV SQZ PKR ON GEARHART WIRELINE. GIH & SET @ 6000'. POH & RU STINGER ON 2-7/8" TBG & TIH. STING INTO RET. LOAD BACK TO 500 PSI. EST RATE @ 4 BPM @ 1000#. STRTD RNG CLASS "H" CMT W/HALAD .4. SQZD TO 3000# W/26 BBL (150 SX) CMT IN FORM. STING OUT OF RET & LEAVE 2' CMT ON TOP. REV OUT 9 BBLS (APPROX 50 SX) POH & RU TO RUN 4 DC'S & BIT IN HOLE. SDFN.

04/10/82 FIN GIH W/RET & DC'S. TAGGED CMT @ APPROX 5989'. DRL OUT RET & CMT. POH W/BIT & DC'S. PREP TO GIH W/CSG SCRAPER. SDFN.

04/11/82 SD FOR HOLIDAY.

04/12/82 SD FOR SUNDAY.

04/13/82 STRT POH W/BIT & DC'S. SD FOR 3 HRS DUE TO WIND. FIN POH W/BIT & DC'S. GIH W/CSG SCRAPER & DC'S. PBTD 6316'. CIRC HOLE W/FW UNTIL CLEAN. ROLL HOLE W/3% KCL. PU TO 6077' & SPOT 500 GALS 15% MSR-100. POH W/TBG, DC'S, & CSG SCRAPER. CLOSE BLINDS ON BOP. SDFN.

04/14/82 RU CRC & PERF FUSSELMAN 1' INTER @ 6076' W/4 JSPF .44" 22 GR. ACIDIZED PERF'S W/500 GALS 15% HCL. BRK DN PRESS 1650 PSI. PMP IN 1/4 BPM @ 1720 PSI. ATTEMPT TO PMP 1500 GAL ACID TO PERF'S, PRESS INCR TO 2650 PSI. FLOWED & SWBD BACK W/SLIGHT SHOW OF GAS. SDFN.

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01/20/82 NO REPORT

02/23/82 DAY 16, OPERATION - DRLG; DEPTH - 3830', PROGRESS - 530', FORMATION - LI & SH. DEV - 3/4 DEG @ 3309' & 3600'. DRLG 23 HRS, TOTCOS 3/4 HR, SR 1/4 HR.

02/24/82 DAY 12, OPERATION - DRLG, DEPTH - 4295', PROGRESS - 465', FORMATION - LI. DRLG W/WTR 9.9#, PH 8. DRLG 23-1/2 HRS, SR 1/2 HR.

02/25/82 DAY 18, OPERATION - DRLG, DEPTH - 4447', PROGRESS - 85', FORMATION - LI. DEV - 1 DEG @ 4301'. MW 9#, VIS 31, PH 8. DRLG 12-1/2 HRS, TRIPS 8 HRS, TOTCOS 1/2 HR, CIRC 1-1/2 HR, REPAIRS 1 HR, WASH TO TD 3/4 HR, YELLOW JACKET BOP 1/2 HR.

02/26/82 DAY 19, OPERATION - DRLG, DEPTH - 4636', PROGRESS - 189', FORMATION - SH. MW 9.9#, VIS 38, PH 8.5, WL 18, CL 150,000, SOLIDS 2%. DRLG 23-3/4 HRS, SR 1/4 HR.

02/27/82 DAY 20, OPERATION - DRLG, DEPTH - 4880', PROGRESS - 244', FORMATION - SH. DEV - 3/4 DEG @ 4813'. MW 10.1#, VIS 32, PH 8.5, WL 16, FC 1/32, CL 98,000, SOLIDS 5%. DRLG 23-1/2 HRS, TOTCOS 1/4 HR, SR 1/4 HR.

02/28/82 DAY 21, OPERATION - DRLG, DEPTH - 5118', PROGRESS - 282', FORMATION - SH. MW 10#, VIS 37, PH 9, SL 15, FC 1/32, SOLIDS 3%. DRLG 23-1/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1/4 HR.

03/01/82 DAY 22, OPERATION - DRLG, DEPTH - 5343', PROGRESS - 288', FORMATION - SH. MW 9.9#, VIS 37, PH 8.5, WL 29, FC 2/32, CL 120,000. DEV - 3/4 DEG @ 5300'. DRLG 22-1/2 HRS, TOTCOS 1/2 HR, SR 1/4 HR, REPAIRS 3/4 HR.

03/02/82 DAY 23, OPERATION - DRLG, DEPTH - 5515', PROGRESS - 172', FORMATION - LI & SH. MW 9.1#, VIS 38, PH 8.5, WL 9.6, CL 124,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/03/82 DAY 24, OPERATION - DRLG, DEPTH - 5695', PROGRESS - 180', FORMATION - LI & SH. MW 9.9#, VIS 37, PH 8.5, WL 16, FC 2/32, CL 116,000, SOLIDS 4%. DRLG 23-3/4 HRS, SR 1/4 HR.

03/04/82 DAY 25, OPERATION - DRLG, DEPTH - 5815', PROGRESS - 140', FORMATION - SH & DOLO. DEV - 3/4 DEG @ 5825'. MW 9.8#, VIS 40, PH 8, WL 16, CL 108,000, SOLIDS 4%. DRLG 21-3/4 HRS, TOTCOS 1/4 HR, SR 1/4 HR, REPAIRS 1-3/4 HRS.

03/05/82 DAY 26, OPERATION - DRLG, DEPTH - 5910', PROGRESS - 75', FORMATION - LI & DOLO. MW 9.8#, VIS 40, PH 8, WL 16, FC 2/32, CL 108,000, SOLIDS 4%. DRLG 13-3/4 HRS, TRIPS 6-1/2 HRS, SR 1/4 HR, CIRC 1/2 HR, WASH TO TD 1/2 HR, CUT DRLG LINE & CHG OIL 2-1/2 HRS.

03/06/82 DAY 27, OPERATION - DRLG, DEPTH - 6018', PROGRESS - 108', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 8, WL 17, FC 2/32, CL 100,000. DRLG 23-3/4 HRS, SR 1/4 HR.

1
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03/07/82 DAY 28, OPERATION - TIH FOR DST #2, DEPTH - 6050', PROGRESS-32', FORMATION - LI & SH. DEV - 1 DEG @ 6050'. MW 9.9#, VIS 45, PH 8.5, WL 12; FC 2/32, CL 98,000. DRLG 6-3/4 HRS, TRIPS 8 HRS, CIRC 6-1/4 HRS, PU TST TOOL 3-1/2 HRS, LAY FLOW LINE 1/2 HR.

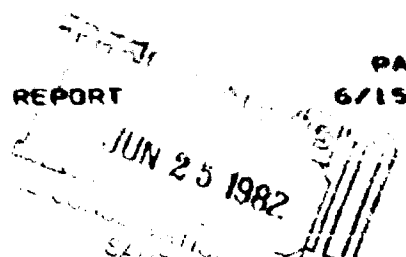
03/08/82 DAY 29, OPERATION - DST #2, DEPTH - 6050'; NC PROGRESS, FORMATION - LI & SH. MW 9.8#, VIS 40. CIRC 17 HRS, DST #2 7 HRS. INTER FR 5885' TO 6050'.
DAY 29, OPERATION - DST #2, DEPTH - 6050', NO PROGRESS, FORMATION - LI & SH. MW 9.9#, VIS 40. CIRC 17 HRS, DST #2 7 HRS.

03/09/82 DAY 30, OPERATION - CIRC FOR DST #2, DEPTH - 6140', PROGRESS 90', FORMATION - LI & SH. MW 9.9#, VIS 44, PH 7.5, WL 15, FC 2/32, CL 106,000. DRLG 6-1/2 HRS, TRIPS 11 HRS, CIRC 6-1/2 HRS. DST #3 INTER 6055' TO 6140'.
DST #2: INTER 5885' TO 6050' (165'). TOOL OPENED W/VERY STRONG BLOW, GTS IN 5 MINS. TOOL RE-OPENED W/IMMEDIATE GTS.
IHP - 3091# 30" FFP - 1704#
15" IFP - 1471# 120" FSIP - 2443#
60" ISIP - 2246# FHP - 3104#
1/2: CK. 5.5 MMCF.

03/10/82 DAY 28, OPERATION - TIH W/DST #3, DEPTH - 6140', PROGRESS - 0', FORMATION - LI & SH. DEV - 1 DEG @ 6140'. MW 10#, VIS 42, PH 7.5, WL 7, FC 2/32, CL 106,000. TRIPS 11-3/4 HRS, TOTCOS 1/2 HR, CIRC 2-1/2 HRS, CUT DRLG LINE 1 HR, PU TST TOOL & RIH 6-1/4 HRS. STOPPED @ 5960'. LD TST TOOL, TIH W/BIT TO CIRC.
NOTE - ADDITIONAL INFO ON DST #2. NO FLUID IN SAMPLER, 800 PSI, 2.34 CU FT GAS. 850 PSI ON 1/2" CK. RATE 5.2 MMCFD.

03/11/82 DAY 29, OPERATION - DST #3, DEPTH - 6140', NC PROGRESS, FORMATION - LI & SH. MW 10#, VIS 65, PH 8, WL 7, FC 2/32, CL 110,000. TRIPS 8-1/4 HRS, CIRC 6 HRS, WASH TO BTM 1-3/4 HRS, REPAIR RIG 1-1/2 HRS, DST 6-1/2 HRS. DST #3 INTER FR 6055' TO 6140'.

03/12/82 DAY 30, OPERATION - CIRC FOR DST, DEPTH - 6191', PROGRESS - 51', FORMATION - LI. MW 10#, VIS 55, PH 8, WL 10, FC 2/32, CL 106,000. DRLG 6-3/4 HRS, SR 1/4 HR, CIRC 2-3/4 HRS, DST #3 14-1/4 HRS. DST #4 FR 6158' TO 6191'. DST #3: INTER 6055' TO 6140' (85'). TOOL OPENED W/VERY GOOD BLOW. GTS IN 4 MINS. RE-OPENED W/GTS IMMEDIATELY; STAB W/450 PSI.
IHP - 3185# 90" FFP - 772#-1057#
30" IFP - 1022#-1164# 120" FSIP - 2325#
60" ISIP - 2325# FHP - 3131#
REC 500' GCM & COND. SAMPLER: 200 CC GCM & COND, 6.69 CU



1
MEYCO
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT — SEYMOUR STATE #1
LOCATION — 660' FNL & 1980' FWL, SEC 18, T-9S, R-27E, CHAVES CO., NM
PROJECTED TO — 6350
CONTRACTOR — COMPLETION - CHASE

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06/09/82 SITP 1625 PSI (LONG STRG), SITP 0 PSI (SHORT STRG). FLWD LONG STRG FOR 1 HR & UNLD ABOUT 8 BBLS FLUID, DRIED UP W/GOOD GAS. SHUT LONG STRG IN. RU TO SWB SHORT STRG. IFL 500', FFL 4800' (SN). REC 60 BBLS FLUID W/GAS ON LAST 3 RUN CSG PRESS UP TO 325# @ END OF DAY. SDFN.

06/10/82 SITP 1950 PSI (LONG STRING) & 150 PSI (SHORT STRING). SICP 750 PSI. BLEW DOWN TO PIT, SHORT STRING, GOOD GAS. RU TO SWB ABO. IFL 2800', FFL 2800' & SCATTERED. WELL KO FLOWING @ 3:00 PM ON A 20/64" CK @ 100# TO 270# FTP. FLOWED WELL FOR 4 HRS. REC 64 BBLS SWBG & 50 BBLS FLOWING. SION.

06/11/82 SITP 1950 PSI (LONG STRING), 1000 PSI (SHORT STRING), SICP 1000 PSI. PUT WELL ON 1/2" CK & FLOW WELL. WELL FLOWED ALL DAY, STILL CLEANING UP. REC 35 BLW. FTP VARIED FR 45 PSI TO 250 PSI W/GOOD GAS. RD SWBG UNIT. SDFN.

06/15/82 WOCU. DROPPED FROM REPORT UNTIL FURTHER NOTICE.

SSSBC
HEYCC
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT SEYMOUR STATE #1
LOCATION 660' FNL & 1980' FWL, SEC 16,
T-9S, R-27E, CHAVES CO., NM
PROJECTED TD 6350
CONTRACTOR COMPLETION - CHASE

05/26/82 SITP 0 PSI. RU GEC WAHA & PERF @ 4512', 4513', 4523', 4524' 4525' & 4529' W/2 SPF. RD GEC WAHA & SIH W/RTTS & 2-7/8" TBG. RU HOWCO & SPOT 1 BBL ACID @ 4532'. PULL PKR TO 4023'. RD BOP & RL TREE. BRK DN ABO PERF'S @ 1300 PSI. ACIDIZE PERF'S W/3000 GALS 10% NEO-1C1 & 24 1.3 BALL SEALERS W/3% KCL FLUSH. MAX RATE 4 BPM @ 4000#, AVG RATE 3.5 BPM @ 1300#, FINAL RATE 3 BPM @ 1200#. ISIP 500#, 5" 600#. TLTR 100 BBLS. RD HOWCO & RL TO SWB. IFL 400', FFL 4800'. REC 32 BL, SM AMT OF GAS. SD FLTR. SDFN.

05/27/82 RU HOWCO TO FRAC ABO PERFS W/30,000 GALS WGE (20,000 GAL KCL + 10,000 GAL CO2) W/30,000# 20/40 + 4500# 10/20. MAX RATE 22.5 BPM @ 4950#, AVG RATE 22 BPM @ 4750#, FINAL RATE 22 BPM @ 4800#. ISIP 1520#, 5" 1400#, 10" 1350#, 15" @ 1300#. TLTR 475 BBLS. START FLOWING WELL ON 1/4" CK @ NOON. STILL FLOWING @ 4:00 PM, BLT OUT ON 1/2" CK W/FTP @ 400#, AT 5:00 PM STARTED CUTTING NATURAL GAS. CONTINUE FLOWING WELL ALL NIGHT.

05/28/82 OVERNIGHT 24 HR FTP 150 PSI ON 1/2" CK. FRAC LOAD & CO2 REC. STAB FTP 210 PSI ON 1/2" CK @ 1.4 MMCFD. SDFN.

05/29/82 MI 2-1/16" TBG & ALL CONNECTIONS FOR FINAL COMPLETION W/ 2-1/16" TBG. SDFN.

05/30/82 SD FOR HOLIDAY.

05/31/82 SD FOR HOLIDAY.

06/01/82 SD FOR HOLIDAY.

55980
PEYCO
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT — SEYMOUR STATE #1
LOCATION — 660' FNL & 1980' FWL, SEC 16, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350
CONTRACTOR — COMPLETION - CHASE

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05/19/82 SITP 1450 PSI. BLEW DWN TO PIT, GOOD GAS. RU TO SWB. IFL 5000'. SWB DRY IN 3 RUNS. TRIED TO ESTAB FLOW ON 20/64" CK WOULD NOT SHOW PRESS. REC 7 BBLS OF FLUID, FFL 5700'. SDFN

05/20/82 SITP 1650 PSI. BLEW DWN TO PIT. RU TO SWB. IFL 5000'. REC 3 BBLS (5% OIL). RU JIM'S KILL TRUCK & KILL WELL W/3% KCL. RD TREE & RU BOP. UNSEAT PKR & OIH W/9 JTS OF 2-7/8" TBG. RU GEO VANN TO CORRELATE PKR TO 6038'. RD GEO VANN & SET PKR @ 6038. RD BOP & RU TREE. TST PKR, COMMUNICATION TO BK SIDE. MOVE PKR TO 6040', COMMUNICATION AGAIN. TEST PKR @ 5770', OK. MOVE PKR TO 5572, TEST, OK. RD JIM'S KILL TRUCK, RU TO SWB. IFL @ SURF, FFL 4000'. REC 35 BBLS. SDFN.

05/21/82 SITP 200 PSI, SICP 200 PSI. BLEW DOWN TO PIT. RU TO SWB. IFL 1400', REC 6 BW, RD SWB. RU HOWCO TO FRAC W/15,500 GAL VERSAL GEL 1500 & 3000 GALS CO2 & 28,400# 20/40 SD. MAX RATE 11 BPM @ 4300#; AVG RATE 10.5 BPM @ 4000#; FINAL RATE 11 BPM @ 4200#. ISIP 3120#, 5" 2730#, 10" 2550#, 15" 2340#. TLTR 370 BBLS. RD HOWCO. SHUT WELL IN FOR 3 HRS. START FLOW BACK ON 12/64" CK @ 500#. UNLOADED WTR & CO2. WELL CONT TO DECLINE IN FTP. WELL DIED AFTER 4 HRS. SI FOR BUILD-UP. RE-OPENED BUT WOULD NOT FLOW. SDFN. REC 100 BL W/270 BLTR.

05/22/82 SITP 500 PSI, SICP 475 PSI. BLEW DOWN TO PIT. RU TO SWB. IFL 2000'. MADE 6 SWB RUNS & WELL KICKED OFF FLOWING. PUT WELL ON 1/4" CK W/FTP OF 1000 PSI & CLEANING UP. FLOWED FOR 3 HRS. SDFN. (EST FLOW OF 1.5 MMCFD)

05/23/82 SITP 1650 PSI, SICP 375 PSI. PUT WELL ON CK TO EST FLOW RATE. FLOWED WELL FOR 3 HRS @ 275 PSI ON 1/2" CK. STILL MAKING SOME LOAD WTR. SDFN. (EST FLOW ON 1.75 MMCFD)

05/24/82 SD FOR SUNDAY.

05/25/82 SITP 1800 PSI, SICP 270 PSI. RU JARRELL WIRELINE & SET 1.50" BLANKING PLUG IN PROFILE @ 5561'. BLEW WELL DOWN, PLUG HOLDING. RD JARRELL'S, RU JIM'S KILL TRUCK & LOAD TBG W/3% KCL. RD TREE, RU BOP. PULL OUT OF ON/OFF TOOL. CIRC HOLE W/3% KCL. POH W/TBG. RU HOWCO RBP & OIH. SET RBP @ 5042'. TST RBP, OK. POH & SDFN.

1
HEYCO
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT — SEYMOUR STATE #1
LOCATION — 660' FNL & 1980' FWL, SEC 18, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350
CONTRACTOR — COMPLETION - CHASE

05/12/82 SITP 1250 PSI. IFL 3400', FFL 5000'. REC 13 BBLS W/1% CF OIL. GAS RATE APPROX 200 MCFD. RU CRC & JIM'S KILL TRUCK TO RUN RMT IN TRACER & TEMP SURVEYS. SURVEY SHOWED PERF'S @ 6043' TO 6048' TAKING MAJORITY OF FLUID W/LITTLE TO NO CHANNELING. REL JIM'S KILL TRUCK & CRC. SDFN.
WTR ANALYSIS FR 5-8-82:

NA	29,835	SO4	125
CA	3000	HCO3	123
MG	3773	PH	8
CL	62,125	SP GR	1.040

05/13/82 OVERNIGHT SITP 200 PSI. RD TREE, RU BOP. UNSEAT PKR & POH. SD DUE TO HIGH WIND. SDFN.
05/14/82 FIN POH W/TBG. RU MCCULLOUGH TO PERF FR 6026' TO 6028' W/4 HOLES. GIH W/HOWCO RTTS, RBP & 2-7/8" TBG. RU MCCULLOUGH & CORRELATE RBP SETTING. RD MCCULLOUGH & SET RBP @ 6038' & RTTS @ 5983'. ACIDIZE PERF'S FR 6008' TO 6016' & 6026' TO 6028' W/2500 GALS 15% NCD-202 & 30 BALL SEALERS. MAX RATE 3 BPM @ 5200#, AVG RATE 3 BPM @ 2600#, FINAL RATE 3 BPM @ 3000#. GOOD BALL ACTION W/BALL OUT TO 5200#. ISIP 2500#, 5" 2300#. MOVE TOOLS TO TRT NEXT ZONE. SET RBP @ 5983' & RTTS @ 5890'. ACIDIZE PERF'S FR 5926' TO 5934' & 5944' TO 5952' W/4000 GALS 15% NCD-202 W/51 BALL SEALERS. MAX RATE 4 BPM @ 5000#, AVG RATE 4 BPM @ 3000#, FINAL RATE 2 BPM @ 3100#. GOOD BALL ACTION W/BALL OUT TO 5000#. ISIP 2500#, 5" 2800#. REL RBP & POH. SDFN. TLTR 195 BBLS.
05/15/82 SITP 0 PSI. FIN POH W/RTTS & RBP. REL RENTAL TOOLS. GIH W/BAKER LOC SET & PKR, ON/OFF TOOL W/1.50 PROFILE & 185 JTS OF 2-7/8" TBG. RU HOWCO & CIRC HOLE W/3% KCL. SET PKR @ 5762', RD BOP & RU TREE. RU TO SWB. IFL @ SURF, FFL 5760' & SCATTERED. REC 35 BBLS (160 BBLS TO REC). SDFN.
05/16/82 SITP 500 PSI (SOME ACID GAS). RU TO SWB. IFL 2600', FFL 5700' & SCATTERED. REC 16 BBLS (144 BBLS TO REC).
05/17/82 SD FOR SUNDAY.
05/18/82 43 HR SITP 1450 PSI. BLEW DOWN TO PIT. RU TO SWB. IFL 3400', FFL 5700' & SCATTERED. REC 14 BL, 130 BLTR. SDFN.

HEYCO
PO BOX 1933
ROSWELL NEW MEXICO

PROSPECT — SEYMOUR STATE #1
LOCATION — 660' FNL & 1980' FWL, SEC 18, T-9S, R-27E, CHAVES CO., NM
PROJECTED TD — 6350
CONTRACTOR — COMPLETION - CHASE

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05/05/82 SITP 1750 PSI. BLEW TO PIT, GOOD GAS. RU TO SWB. IFL 4600' & SCATTERED. REC 1/2 BC & 1/2 BLW. PUT WELL ON 20/64 CK & EST FLOW RATE. WELL STAE @ 75 PSI FTP @ 20/64" CK (206 MCFD). FLOWED WELL FOR 4 HRS. SDFN.

05/06/82 SITP 1600 PSI. BLEW DOWN TO PIT, GOOD GAS. RU JIM'S KILL TRUCK & KILL WELL W/3% KCL. RD TREE & RU BOP. UNSEAT PKR & POH. RD JIM'S. RU & GIH W/GEO VANN, BAKER LOK-SET PKR, ON/OFF TOOL (1.50" PROFILE), X-OVER, 1 JT 2-7/8" TBG, 6' LOCATOR SUB, 185 JTS 2-7/8" TBG. CORRELATE W/GEO VANN & SET PKR @ 5894'. RD BOP & RU TREE. DROP BAR TO PERF @ 5926' TO 5934'; 5944' TO 5952' AND 6008' TO 6016'. GUNS DID NOT FIRE. SDFN.

05/07/82 SITP 1200 PSI. RU JARRELL WIRELINE & GIH TO FISH BAR & ALSO SPUD ON FIRING HEAD TO MAKE SURE GUNS FIRED. POH W/FIRING BAR & RD JARRELL. BLEW WELL TO PIT. RU TO SWB. IFL 4400'. MADE 2 RUNS, REC 4 BBLS 25% OIL. FFL @ SN. RU PETROTHERMA KILL TRUCK & KILL WELL W/3% KCL. RD TREE, RU BOP. UNSEAT PKR & POH. GUNS DID FIRE, BUT BAVA WAS PARTLY CLOSED. SDFN.

05/08/82 SITP 0 PSI. POH, GIH W/BAKER LOK-SET PKR, ON/OFF TOOL (1.50 PROFILE), X-OVER & 185 JTS 2-7/8" TBG. SET PKR @ 5803'. RD BOP & RU TREE. RU TO SWB. IFL @ SURF, FFL @ 5800' (SN). REC 30 BF. LAST 2 RUNS TR OF OIL & GAS RATE OF APPROX 200 MCFD. SDFN.

05/09/82 SITP 1500 PSI. BLEW DOWN TO PIT, GOOD GAS. IFL 4200', FFL 5800'. REC 5 BBLS 10% OIL. GAS RATE ON 20/64" CK W/85# FTP IS APPROX 229 MCFD. SDFN.

05/10/82 SD FOR SUNDAY.

05/11/82 SITP 1700 PSI. BLEW DWN TO PIT (GOOD GAS). RU TO SWB. IFL 5700' & SCATTERED. REC 1/2 BEL W/TRACE OF O & G. RU DOWELL TO ACIDIZE W/4000 GAL 7-1/2% NSR 100 & 120 (1.1 SP GR) BALL SEALERS. AVG RATE 3.0 BPM @ 2400#, MAX RATE 3.5 BPM @ 3800# FINAL RATE 2.3 BPM @ 3600#. ISIP 2700#, 5" 2600#. GOOD BALL ACTION BUT DID NOT BALL OUT. RD DOWELL. TLTR 135 BBLS RU TO SWB. IFL @ SURF, FFL @ 5800' & SCATTERED. REC 48 BEL OF FLUID. GOOD GAS ON LAST 2 SWB RUNS. 87 BLTR. SDFN.

DAILY DRILLING REPORTS

Page #1

HARVEY E. YATES COMPANY
SEYMORE STATE #1
(Code # 9142)

660' FNL, 1980' FWL,
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

11/23/81 MI & RU Cable tool.

11/24/81 MI & RU Cable Tool.

11/25/8 RU Cable Tool.

11/26/81 to 11/30/81 RU Cable Tool.

12/1/81 Day 1, Operation - Drlg, Depth - 20', Progress - 20'. Drlg w/FW. Drlg 7 hrs, RU 1 hr. SPUDDED @ 9:30 AM, 11/30/81.

12/2/81 No Report.

12/3/81 No Report.

12/4/81 No Report.

12/5/81 to 12/7/81 No Report.

12/8/81 No Report.

12/9/81 No Report.

12/10/81 No report.

12/11/81 Operation - Drlg, Depth - 35', Progress - 15', Formation - surf rock & anhy. Drlg w/FW.

12/12/81 to 12/13/81 No Report.

12/15/81 No Report.

12/16/81 Operation - Drlg, Depth - 45', Progress - 10', Formation- Surf rock & Anhy.

12/17/81 No Report.

12/18/81 No Report.

HARVEY E. YATES COMPANY
SEYMORE STATE #1
(Code #9142)

660' FNL & 1980' FWL,
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

12/19/81 to 12/21/81 — No Report.

12/22/81 — No Report.

12/23/81 — No Report.

12/24/81 to 12/28/81 — No Report.

12/29/81 — Operation - Drlg, Depth - 60', Progress - 15', Formation - Surf rock & anhy.

12/30/81 to 1/15/82 — No Report.

1/16/82 — Operation - Drlg, Depth - 67', Progress - 7', Formation - surf rock & anhy.

1/17/82 to 1/29/82 — No Report.

1/30/82 — Operation - Drlg, Depth - 64', Progress - 4', Formation - surf rock & anhy.

1/31/82 to 2/09/82 — No Report.

2/10/82 — Operation - RD Cable Tool Unit, Depth - 64', No Progress, Formation - Surf rock & anhy. Prep to MIRT.

2/11/82 — MIRT.

2/12/82 — Day 2, Operation - Drlg, Depth - 167' (Corrected), Progress - 97', Formation - Surf rock & Red Bed. MW 9#, Vis 31. Strtd drlg @ 9:00 PM, 2/11/82. Drlg 9-3/4 hrs, Repairs 1/4 hr, RU 14 hrs.

Horizon Drilling Co.

HARVEY E. YATES COMPANY
SEYMOUR STATE #1
(Code #9142)

660' FNL & 1980' FWL,
Sec. 18, T-9S, R-27E,
Chaves County, N.M.

2/13/82 Day 2, Operation - WOC, Depth - 352', Progress - 237', Formation - Surf Rock & Red Bed. Drlg w/FW. Trips 3-1/4 hrs, SR 1/2 hr, Circ 3/4 hr, Run csg & cmt 2-1/2 hrs, WOC 8-1/4 hrs, Drlg plug 1-1/2 hrs. Ran 9 jts (368') 13-3/8" 48# new csg & set @ 354'. Cmtd w/3400 sx Class "C" plus 2% CaCl. Cmt circ. PD @ 6:45 PM, 2/12/82.

2/14/32 Day 3, Operation - Drlg, Depth - 1210', Progress - 858', Formation - Anhy & Sd. Dev - 3/4 Deg @ 1007'. Drlg w/FW. Drlg 21 hrs, Trips 1/2 hr, Totcos 1/4 hr, SR 1/4 hr, WOC 1-3/4 hrs, WO redi-mix 1/4 hr.

2/15/82 Day 4, Operation - WOC, Depth - 1525', Progress - 315', Formation - Anhy & Li. Drlg w/FW. Ran 38 jts (1528') 8-5/8" J-55 LT&C new csg & set @ 1525'. Cmtd w/450 sx Halliburton Lite plus 1/4# flocele & 2% CaCl; followed by 200 sx Class "C" plus 2% CaCl. PD @ 3:00 AM, 2/15/82. Cmt did not circ. Waiting to run temp survey.

2/16/82 Day 5, Operation - Rng 1" pipe @ 530', Depth - 1525', No Progress, Formation - Anhy & Li. Drlg w/FW. WO Halliburton 3/4 hr, Run 1" pipe & cmt thru 1" 30' to 530' 23-1/4 hrs.

2/17/82 Day 10, Operation - NU, Depth - 1525', Progress - 0', Formation - Anhy & Li. Drlg w/FW. Run 1" & cmtg 8-5/8" csg 6-3/4 hrs, WOC 3 hrs, WO csghead 5 hrs, NU 5-1/4 hrs, LD 4-1/2" DP 3 hrs. Ran temp survey, TOC @ 630'. Ran 10 stages thru 1" for total of 640 sx cmt to fill @ surf.

2/18/82 Day 11, Operation - Drlg, Depth - 1650', Progress - 125', Formation - Li. Drlg w/FW. Drlg 6 hrs, Trips 6-1/4 hrs, Work BOP 3/4 hr, Drlg cmt & plug 4 hrs, WO wellhead 4-1/2 hrs, Tstd BOP to 1200# for 30 mins 2-1/2 hrs.

2/19/82 Day 12, Operation - DST #1, Depth - 1800', Progress - 150', Formation - Li & Sd. Dev - 1 Deg @ 1800'. Drlg w/wtr 8.6#. Drlg 6-1/2 hrs, Trips 2-1/4 hrs, Totcos 1/4 hr, SR 1/4 hr, Circ 4-1/2 hrs, DST 10-1/2 hrs.
Tool opened @ 6:30 AM w/no blow.

2/20/82 Day 13, Operation - Drlg, Depth - 2087', Progress - 287', Formation - Li & Sd. Drlg w/wtr. Drlg 8 hrs, Trips 10 hrs, DST 6 hrs. DST #1: inter 1700' to 1800' (100').

IHP - 828#	90" FFP - 26#-92#
30" IFP - 13#-66#	120" FSIP - 658#-828#
60" ISIP - 500#-526#	FHP - 828#

Rec drlg fluid only. Sampler - drlg fluid. GTS in 45 mins. Tool opened w/good blow, reopened w/very strong blow.

2/21/82 Day 14, Operation - Drlg, Depth - 2729', Progress - 642', Formation - Salt & Sd. Dev - 1/2 Deg @ 2302'. MW 9.2# Vis 28, pH 9. Drlg 23-1/2 hrs, Totcos 1/4 hr, SR 1/4 hr.

2/22/82 Day 15, Operation - Drlg, Depth - 3300', Progress - 571', Formation - Li & Sh. Dev - 3/4 Deg @ 2941'. Drlg w/wtr, pH 8.5. Drlg 23-1/2 hrs, Totcos 1/4 hr, SR 1/4 hr.