

CASE 7139: YATES PETROLEUM CORPORATION
FOR AMENDMENT OF DIVISION ORDER NO.
R-6367, CHAVES COUNTY, NEW MEXICO

Revised
Division
Ordering Division
Amend Page 4 of R-6367
on Page 70. That reads
Order as follows: Corporation
to ~~proceed~~ as follows: the
activity, ~~from~~ the
its entire, ~~from~~ the
in its ~~new~~ subject
This ~~new~~ subject
" (2) is hereby
is hereby
operation of
and

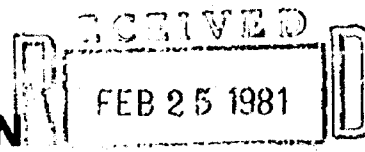
CASE NO.

7139

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331



OIL CONSERVATION DIVISION
SANTA FE

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

February 20, 1981

New Mexico Oil Conservation Division
P. O. Box 871
Santa Fe, New Mexico 87501
Attn: Richard L. Stamets

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: Daniel S. Nutter

James T. Jennings, Esq.
P. O. Box 118C
Roswell, New Mexico 88201

The Blanco Company
P. O. Box 1180
Roswell, New Mexico 88201

Re: Johnson "IL" #2
Township 6 South, Range 26 East
Section 30: SW/4
OCD Case No: 7-39

Gentlemen:

Pursuant to New Mexico Oil Conservation Division Order No. R-6367, we are furnishing a copy of the actual costs of drilling, equipping and operating the captioned well.

Yours very truly,

Randy G. Patterson
Land Department

RGP/bh
Enclosure

Yates Petroleum Corp.
 Technical Staff
 Summary of Charges

RECORDED
 FEB 26 1981
 OIL CONSERVATION DIVISION
 SANTA FE

	Date - TIB	ISC	Equipment	LOC	TOTAL
1	August, 1980	30769	2461074		
2	September, 1980	6186930	3151265		
3	October, 1980	16241491	2051213		
4	November, 1980	1406621	416092	4862	
5	December, 1980	445059	1105036	24476	
6		24410870	9181790	29344	33622004
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YATES BUILDING 201 SOUTH 4TH ST
ARTESIA, NEW MEXICO 88210

ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2 YPC	12/31/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
WELL OPERATING COSTS *****			
12-31	1280171 ANTIFREEZE	1	5105 244.76
	TOTAL WELL OPERATING EXPENSE		244.76

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	19.12
5490	LOS CHICOS	.05729167	14.02
6400	MYCO INDUSTRIES, INC.	.07812500	19.12
9941	YATES DRILLING COMPANY	.25000000	61.19
9943	YATES, MARTIN III	.17137500	42.07
9944	YATES, JOHN A.	.11458333	28.05
9999	YATES PETROLEUM CORPORATION	.25000000	61.19
TOTALS		1.00000000 **	244.76 ** <<<<<

INTANGIBLE DRILLING COSTS *****

1-18	LAWYERS TITLE I 50697 ABSTRACT S2 30-6-26	9210	39.00
12-31	BENNETT WIRELINE-TEMP. SURVEY	9217	185.69
12-31	GEO BOYCE TR-PULL TRUCKS	9229	1,080.56
12-31	9/80 DRLG.OH-15 DAYS	9221	1,150.05
12-31	TESORO LAND & M 12-21 BOP RENTAL	9245	363.11
12-31	10/80 COMP.OH-22 DAYS	9248	1,632.18

TOTAL INTANGIBLE DRILLING COSTS 4,450.59

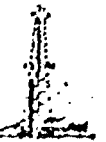
*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	347.70
5490	LOS CHICOS	.05729167	254.98
6400	MYCO INDUSTRIES, INC.	.07812500	347.70
9941	YATES DRILLING COMPANY	.25000000	1,112.65
9943	YATES, MARTIN III	.17187500	764.95
9944	YATES, JOHN A.	.11458333	509.95
9999	YATES PETROLEUM CORPORATION	.25000000	1,112.65
TOTALS		1.00000000 **	4,450.59 ** <<<<<

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING - 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	YPC	DATE
3392-02-10	JOHNSON 1L #2		12/31/80

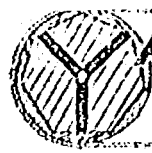
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REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
LEASE OR BATTERY EQUIPMENT *****			
1-08	PERK-ROC, INC. 8352, WTR STAC-PAC	9403	76.19
12-22	UNION SUPPLY CO 47438 GRADE STAKES	9403	3.10
12-19	VALLEY CONSTRUCT 963.9 BLD TANK GRADE & BLADE LOC.	9404	6,683.58
12-30	TIP'S WELDING 5 1079, FAB LINES & CONN'S.	9404	299.52
12-31	STEVENSON-ROACH 8065, SET UP (TRYITNKS, STRWYS, ETC)	9404	3,490.97
12-31	T & C RENTAL TO A6967 INST. PIPELINE ANCHORS	9404	442.00
TOTAL LEASE OR BATTERY EQUIP.			11,000.36

=== DISTRIBUTIONS:

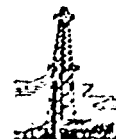
OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	859.40
5490	LOS CHICOS	.05729167	630.23
6400	MYCO INDUSTRIES, INC.	.07812500	859.40
9941	YATES DRILLING COMPANY	.25000000	2,750.09
9943	YATES, MARTIN III	.17137500	1,890.67
9944	YATES, JOHN A.	.11458333	1,260.46
9999	YATES PETROLEUM CORPORATION	.25000000	2,750.09
TOTALS		1.00000000 ==	11,000.36 == <<<<<

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**YATES
PETROLEUM
CORPORATION**

YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.		PROPERTY NAME		DATE
3392-02-10		JOHNSON IL #2		11/30/80
YPC				
REFERENCE NUMBER	DESCRIPTION OF CHARGES		TYPE OF CHARGE	AMOUNT

WELL OPERATING COSTS *****

11-07 UNION SUPPLY CO 45266 1-2 1/2" STG. NIPPLE	51.01	48.68
TOTAL WELL OPERATING EXPENSE		48.68

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	3.80
5490	LOS CHICOS	.05729167	2.79
6400	MYCO INDUSTRIES, INC.	.07812500	3.80
9941	YATES DRILLING COMPANY	.25000000	12.17
9943	YATES, MARTIN III	.17187500	8.37
9944	YATES, JOHN A.	.11458333	5.58
9999	YATES PETROLEUM CORPORATION	.25000000	12.17
TOTALS		1.00000000	48.68

INTANGIBLE DRILLING COSTS *****

11-04 I & W. INC.	387.3 HAUL COMPLETION WATER	9242	1,465.82
11-12 ARTESIA LUMBER	ALCII COMPLETION MUD	9243	163.25
9-20 PEABODY VANN	10881 PERFORATE 10/6	9245	1,109.16
9-20 PEABODY VANN	10881 LOGGING 10/3	9245	2,596.38
10-06 PEABODY VANN	11019 PERFORATE 10/29	9245	1,395.68
10-06 PEABODY VANN	11019 REDRESS PKR & ON/OFF TOOL	9246	928.01
10-29 HALLIBURTON	87984 5 1/2" RTIS & RBP (10/29/80)	9246	1,800.48
10-31 T & C RENTAL TO	R8517 FRAC TANK RENTAL	9246	877.76
10-30 HALLIBURTON	NS 26 FLUSH OUT W/ACID	9247	1,371.47
10-31 AMERIGAS	57024 CHEMICAL	9247	2,358.20
TOTAL INTANGIBLE DRILLING COSTS			14,066.21

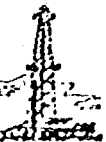
*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1,098.92
5490	LOS CHICOS	.05729167	805.88
6400	MYCO INDUSTRIES, INC.	.07812500	1,098.92

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YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 80210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	11/30/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
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*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
9941	YATES DRILLING COMPANY	.25000000	3,516.55
9943	YATES, MARTIN III	.17187500	2,417.63
9944	YATES, JOHN A.	.11458333	1,611.75
9999	YATES PETROLEUM CORPORATION	.25000000	3,516.56
TOTALS		1.00000000 **	14,066.21 ** <<<<

WELL EQUIPMENT *****

10-06	PEABODY VANN	11019 5 1/2" PKR & ON/OFF TOOL	9304	4,137.81
TOTAL WELL EQUIPMENT				4,137.81

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	323.27
5490	LOS CHICOS	.05729167	237.06
6400	MYCO INDUSTRIES, INC.	.07812500	323.27
9941	YATES DRILLING COMPANY	.25000000	1,034.45
9943	YATES, MARTIN III	.17187500	711.19
9944	YATES, JOHN A.	.11458333	474.12
9999	YATES PETROLEUM CORPORATION	.25000000	1,034.45
TOTALS		1.00000000 **	4,137.81 ** <<<<

LEASE OR BATTERY EQUIPMENT *****

10-02	ROSWELL READY H 39212 5/8" ROCK 10/2	9403	23.11
TOTAL LEASE OR BATTERY EQUIP.			23.11

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
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YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

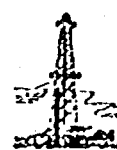
PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	11/30/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
		YPC	*** CONTINUED ***

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1.81
5490	LOS CHICOS	.05729167	1.32
6400	MYCO INDUSTRIES, INC.	.07812500	1.81
9941	YATES DRILLING COMPANY	.25000000	5.78
9943	YATES, MARTIN III	.17187500	3.97
9944	YATES, JOHN A.	.11458333	2.65
9999	YATES PETROLEUM CORPORATION	.25000000	5.77
TOTALS		1.00000000	23.11

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ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.		PROPERTY NAME		DATE
3392-02-10		JOHNSON IL #2		10/31/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES		TYPE OF CHARGE	AMOUNT

INTANGIBLE DRILLING COSTS *****

10-07	LARUE DRILLING	10-01	DRILLING/FOOTAGE	9212	74,872.48
10-07	LARUE DRILLING	10-01	DRILLING/DAYWORK	9213	12,556.03
10-02	I & W, INC.	291.3	HAUL WATER	9214	1,045.44
9-04	JOHNSON, WAYNE	17857	DIESEL 9/19/80	9215	2,140.32
10-06	ARTESIA LUMBER	10-00	DRILLING MUD	9215	733.17-
10-21	ARTESIA LUMBER	10-05	KCL	9215	306.60
10-15	DRESSER IND.. I	22493	ELEC LOGGING 9/26	9219	10,813.93
9-27	RUSTY'S WELDING	2297	ROADS TOO MUDDY TO REACH LOC.	9220	199.68
10-24	AHLEN, JACK	10/24	GEOLOGICAL/CONSULTING	9221	751.62
10-31			103030 10"X10"X16" SILLS	9222	73.70
10-15	MACK CHASE, INC	3054.	REV UNIT 10/3-7/80	9241	3,666.68
10-21	MACK CHASE, INC	3101.	REV UNIT 10/13-14/80	9241	1,826.42
10-31	MACK CHASE, INC	3251.	REV UNIT 10/28-10/31/80	9241	3,515.10
9-29	WILBANKS HOT OI	80-10	CIRC/KILL WELL, MV WIR-FRAC TNC	9242	605.28
10-16	I & W, INC.	336.7	HAUL WATER	9242	723.53
10-18	TWO-STATE TANK	1028.	TANK RENTAL	9242	668.82
11-03	ARTESIA LUMBER	ALC10	KCL	9243	244.88
10-03	BENNETT WIRE LI	1080-	BHP 10/12/80	9245	999.18
10-13	80-MONK PIPE TE	1886	TUBING TEST 2 7/8"	9245	761.80
10-27	JARREL SERVICE.	7329.	BAKER CHECK VALVE/SET VALVE	9245	1,836.64
10-03	RED LAKE TRUCK I	234.2	HAUL 2 7/8" TUBING	9245	437.84
10-03	RED LAKE TRUCK I	233.3	LOAD & UNLOAD 2 7/8" TUBING	9246	312.00
10-08	TC ROUSTABOUT S	1284.	HAUL 208BL TANK	9245	79.94
10-24	MACK CHASE, INC	3116.	WELD 5 1/2" NIPPLE	9245	99.60
10-07	WESTERN CO. OF	72921	FRAC 10/16/80	9247	16,161.74
10-07	WESTERN CO. OF	72921	ACID 10/7/80	9247	2,334.50
10-14	NOWSCO SERVICES	16468	ACIDIZE	9247	1,469.10
10-29	WESTERN CO. OF	75668	ACIDIZE 10/30/80	9247	2,278.14
10-31	WESTERN CO. OF	75666	FRAC 10/31	9247	16,144.28
9-19	TC ROUSTABOUT S	1206.	HAUL GRAVEL F/CELLAR	9249	133.24
9-19	TC ROUSTABOUT S	1206.	CLEAN LOCATION	9249	282.16
10-14	T & C RENTAL TO	6597.	INSTALL SAFETY ANCHORS	9249	430.56
10-20	ARMSTRONG & ARM	1263	BLADE ROAD	9249	2,208.84
10-22	TC ROUSTABOUT S	1335	HAUL CASING, TANK, SEALS	9249	453.79
10-20	ARMSTRONG & ARM	1263	PULL TRUCKS	9250	3,693.50
10-22	BILCO SUPPLY CO	30304	2" BULL PLUG	9250	20.72

TOTAL INTANGIBLE DRILLING COSTS 163,414.91

*** DISTRIBUTIONS:

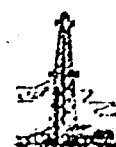
OWNER --- OWNER'S NAME --- INTEREST SHARE

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



**YATES
PETROLEUM
CORPORATION**

YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.		PROPERTY NAME		DATE	
3392-02-10		JOHNSON IL #2		YPC	** CONTINUED **
10/31/80					00
REFERENCE NUMBER	DESCRIPTION OF CHARGES			TYPE OF CHARGE	AMOUNT

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	12,766.79
5490	LOS CHICOS	.05729167	9,362.31
6400	MYCO INDUSTRIES, INC.	.07812500	12,766.79
9941	YATES DRILLING COMPANY	.25000000	40,853.73
9943	YATES, MARTIN III	.17137500	28,086.94
9944	YATES, JOHN A.	.11458333	18,724.62
9999	YATES PETROLEUM CORPORATION	.25000000	40,853.73
TOTALS		1.00000000 **	163,414.91 ** <<<<<<

WELL EQUIPMENT *****

10-31	BEARING SERVICE 77332 2" SWAGE NIPPLE	9301	77.80
10-31	108030 2 7/8 6.5 J55 TBG 4301	9303	17,763.13
10-31	10804 2 3/8" GATE VLV GULFCO 1	9320	1,004.00
10-31	108030 2" GULFCO GATE VLV 1	9320	1,004.00
10-31	108065 2 7/8 GULFCO GATE VLV 1	9320	1,004.00
10-31	10804 2" GULFCO ADJ. CHOKE 1	9320	427.50
10-31	108077 2 7/8 6.5 J-55 TBG 182	9330	564.20-
10-31	108077 5 1/2 14# K-55 CSG 40	9330	204.00-

TOTAL WELL EQUIPMENT 20,512.23 *

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1,602.52
5490	LOS CHICOS	.05729167	1,175.18
6400	MYCO INDUSTRIES, INC.	.07812500	1,602.52
9941	YATES DRILLING COMPANY	.25000000	5,128.06
9943	YATES, MARTIN III	.17137500	3,525.54
9944	YATES, JOHN A.	.11458333	2,350.36
9999	YATES PETROLEUM CORPORATION	.25000000	5,128.05
TOTALS		1.00000000 **	20,512.23 ** <<<<<<

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**YATES
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ARTESIA, NEW MEXICO • 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2 YPC	9/30/80

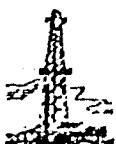
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
INTANGIBLE DRILLING COSTS *****			
9-14	GEORGE BOYSE TR 2457 LEVEL LOC. ROAD. INSTALL CELLAR	9211	6,303.92
9-17	RUSTY'S WELDING 456.4 HL 13 3/8" F/CULVERTS	9211	62.40
9-22	JIM'S WATER SER 3357. WATER ROAD	9211	295.16
9-22	JIM'S WATER SER 3357. WATER ROAD	9211	646.50
9-24	JIM'S WATER SER CM109 WTR ROAD-CORR. INV#9-3357	9211	93.38-
9-10	JIM'S WATER SER 3257. HAUL WATER	9214	3,148.06
9-15	M & M RENTAL TO 18999 LINE RES. PITS	9214	1,397.76
9-17	JIM'S WATER SER 9-331 HAUL WATER	9214	1,902.12
9-22	JIM'S WATER SER 3357. HAUL WATER	9214	249.00
9-24	JIM'S WATER SER 9-339 HAUL WATER	9214	1,329.00
9-24	JIM'S WATER SER 9-339 HAUL WATER	9214	1,619.71
9-13	RANGER RENTAL 128.1 MUD PLANT RENTAL	9215	2,288.00
9-19	ARTESIA LUMBER 9-045 DRILLING MUD	9215	1,422.66
9-25	ARTESIA LUMBER 9-069 DRILLING MUD	9215	3,868.38
9-25	ARTESIA LUMBER 9-069 DRILLING MUD	9215	7,420.01
9-25	ARTESIA LUMBER 9-105 DRILLING MUD	9215	873.37
9-30	ARTESIA LUMBER 9-127 DRILLING MUD	9215	936.66-
8-15	ROSE GRAVEL COM 26117 GRAVEL	9217	312.55
9-10	DOW CHEMICAL US 0265. CEMENT 8 5/8" 9/18	9217	7,973.54
9-18	DOW CHEMICAL US 0279. CEMENT 13 3/8" CSG 9/15	9217	5,291.25
9-21	ROSE GRAVEL COM 26169 GRAVEL	9217	399.70
9-09	RUSTY'S WELDING 457.5 CLEAN LOCATION. HAUL PIPE	9220	312.00
9-18	DAVIS, H. W. JR 26550 CUT OFF 13 3/8". 8 5/8". WLD CLR	9220	193.52
9-25	BEARING SERVICE 77024 MOVE 8 5/8" CSG. PULL TRUCKS	9220	1,014.00
9-30	BEARING SERVICE 77050 5 1/2" NIPPLE	9224	56.76
9-24	BENNETT WIRE LI 980-4 TEMPERATURE SURVEY 9/27	9244	306.50
9-25	DOW CHEMICAL US 0272. CEMENT 5 1/2" CSG 9/27	9244	10,056.80
8-27	TC ROUSTABOUT S 1131. FENCE PIT	9249	437.89
9-18	GEORGE BOYSE TR 2456. REPR ROAD. SET CATTLEGROD 9/19	9249	3,376.47
9-23	TC ROUSTABOUT S 1222. FINISH FENCING PIT	9249	346.37
TOTAL INTANGIBLE DRILLING COSTS			61,869.30
*** DISTRIBUTIONS:			
OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	4,833.54
5490	LOS CHICOS	.05729167	3,544.60
6400	MYCO INDUSTRIES, INC.	.07812500	4,833.54
9941	YATES DRILLING COMPANY	.25000000	15,457.33

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CORPORATION**

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ARTESIA, NEW MEXICO • 86210



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PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	9/30/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE
		AMOUNT

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
9943	YATES, MARTIN III	.17187500	10.633.79
9944	YATES, JOHN A.	.11458333	7.089.19
9999	YATES PETROLEUM CORPORATION	.25000000	15.467.31
TOTALS		1.00000000	61.869.30

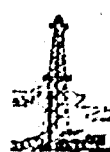
WELL EQUIPMENT *****

10-06 BEARING SERVICE 77127	5 1/2" TUBINGHEAD & CONN'S.	9301	2.076.86
9-30 BEARING SERVICE 77050	4459.75" 5 1/2" 14# J55 CSG.	9302	26.746.01
10-06 BEARING SERVICE 77127	5 1/2" CASING COUPLING	9302	37.94
9-30	980139 8 5/8" 24# K55 CSG 81"	9320	636.66
9-30	980139 13 3/8" 48# K55 CSG 76"	9320	1.081.48
9-30	980139 5 1/2" 14# K55 CSG 201"	9320	944.70
TOTAL WELL EQUIPMENT			31.523.65

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	2.462.79
5490	LOS CHICOS	.05729167	1.806.04
6400	MYCO INDUSTRIES, INC.	.07812500	2.452.79
9941	YATES DRILLING COMPANY	.25000000	7.880.91
9943	YATES, MARTIN III	.17187500	5.418.13
9944	YATES, JOHN A.	.11458333	3.612.08
9999	YATES PETROLEUM CORPORATION	.25000000	7.880.91
TOTALS		1.00000000	31.523.65

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING - 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO - 88210

ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	8/31/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
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INTANGIBLE DRILLING COSTS *****

7-19 MCGOWN, JIM - W 15004 MAKE CUT OFF, HOOK UP FL 9/15	9220	224.64
9-16 BEARING SERVICE 76936 SAMPLE BAGS	9224	83.05

TOTAL INTANGIBLE DRILLING COSTS 307.69

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	24.04
5490	LOS CHICOS	.05729167	17.63
6400	MYCO INDUSTRIES, INC.	.07812500	24.04
9941	YATES DRILLING COMPANY	.25000000	76.92
9943	YATES, MARTIN III	.17187500	52.88
9944	YATES, JOHN A.	.11458333	35.26
9999	YATES PETROLEUM CORPORATION	.25000000	76.92
TOTALS		1.00000000	307.69

WELL EQUIPMENT *****

9-16 BEARING SERVICE 76930 8 5/8" CSGHD & CONN'S.	9301	590.79
9-16 BEARING SERVICE 76930 8 5/8" COLLAR	9302	126.68
9-16 BEARING SERVICE 76930 1652.89' 3 5/8" 24# J55 CSC.	9302	15,609.89
9-16 BEARING SERVICE 76936 460.15' 13 3/8" 48# H40 CSG	9302	7,293.38

TOTAL WELL EQUIPMENT 24,620.74

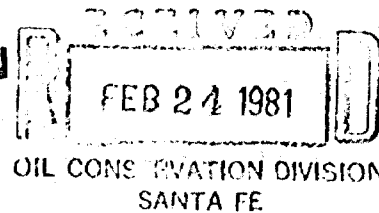
*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1,923.50
5490	LOS CHICOS	.05729167	1,410.56
6400	MYCO INDUSTRIES, INC.	.07812500	1,923.50
9941	YATES DRILLING COMPANY	.25000000	6,155.19
9943	YATES, MARTIN III	.17187500	4,231.69
9944	YATES, JOHN A.	.11458333	2,821.13
9999	YATES PETROLEUM CORPORATION	.25000000	6,155.17
TOTALS		1.00000000	24,620.74

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

*File
Case 7139
Jsu*

February 20, 1981

New Mexico Oil Conservation Division
P. O. Box 871
Santa Fe, New Mexico 87501
Attn: Richard L. Stamets

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: Daniel S. Nutter

James T. Jennings, Esq.
P. O. Box 1180
Roswell, New Mexico 88201

The Blanco Company
P. O. Box 1180
Roswell, New Mexico 88201

Re: Johnson "IL" #2
Township 6 South, Range 26 East
Section 30: SW/4
OCD Case No. 7139

Gentlemen:

Pursuant to New Mexico Oil Conservation Division Order No. R-6367, we are furnishing a copy of the actual costs of drilling, equipping and operating the captioned well.

Yours very truly,

Randy G. Patterson
Randy G. Patterson
Land Department

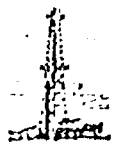
RGP/bh
Enclosure

Yates Petroleum Corp.
 Johnson 'J.L.'
 Summary of Charges

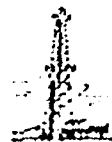
FEB 24 1981
 OIL CONSERVATION DIVISION
 SANTA FE

Date - TIB FSC Equipment L.O.C. TOTAL

1	August, 1980	307.69	2462.074		
2	September, 1980	618.6930	3151.365		
3	October, 1980	1634.491	20512.13		
4	November, 1980	1646.21	4150.02	4868	
5	December, 1980	4450.59	11000.36	24476	
6		24410870	9181790	29344	33622004
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YATES BUILDING 201 SOUTH 4TH ST
ARTESIA, NEW MEXICO 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON 1L #2	12/31/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
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WELL OPERATING COSTS *****

12-31	1280171 ANTIFREEZE	1	5105	244.76
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TOTAL WELL OPERATING EXPENSE				244.76
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*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	19.12
5490	LOS CHICOS	.05729167	14.02
6400	MYCO INDUSTRIES, INC.	.07812500	19.12
9941	YATES DRILLING COMPANY	.25000000	61.19
9943	YATES, MARTIN III	.17187500	42.07
9944	YATES, JOHN A.	.11458333	28.05
9999	YATES PETROLEUM CORPORATION	.25000000	61.19
TOTALS		1.00000000 **	244.76 ** <<<<<

INTANGIBLE DRILLING COSTS *****

1-10	LAWYERS TITLE I 50697 ABSTRACT S2 30-6-26	9210	39.00
12-31	BENNETT WIRELINE-TEMP. SURVEY	9217	185.69
12-31	GEO BOYCE TR-PULL TRUCKS	9229	1,080.56
12-31	9/80 DRLG.OH-15 DAYS	9227	1,150.05
12-31	TESORO LAND & M 12-21 BOP RENTAL	9243	363.11
12-31	10/80 COMP.OH-22 DAYS	9248	1,632.18

TOTAL INTANGIBLE DRILLING COSTS		4,450.59
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*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	347.70
5490	LOS CHICOS	.05729167	254.98
6400	MYCO INDUSTRIES, INC.	.07812500	347.70
9941	YATES DRILLING COMPANY	.25000000	1,112.65
9943	YATES, MARTIN III	.17187500	764.95
9944	YATES, JOHN A.	.11458333	509.95
9999	YATES PETROLEUM CORPORATION	.25000000	1,112.65
TOTALS		1.00000000 **	4,450.59 ** <<<<<

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING 2111 10TH ST
ARTESIA, NEW MEXICO 80520

ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME		DATE
3192-02-10	JOHNSON 1L #2	YPC	12/31/80

== CONTINUED ==

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
LEASE OR BATTERY EQUIPMENT *****			
1-08	PERK-ROC, INC. 8352, WTR STAC-PAC	9401	76.19
12-22	UNION SUPPLY CO 47438 GRADE STAKES	9403	8.10
12-19	VALLEY CONSTRUC 968.9 BLD TANK GRADE & BLADE LOC.	9404	6,693.58
12-30	TIP'S WELDING S 1079, FAB LINES & CONN'S.	9404	299.52
12-31	STEVENSON-ROACH 8065, SET UP (TRY(TNKS, STRWS, ETC)	9404	3,490.97
12-31	T & C RENTAL TO A6967 INST. PIPELINE ANCHORS	9404	442.00
TOTAL LEASE OR BATTERY EQUIP.			11,000.36

=== DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	859.40
5490	LOS CHICOS	.05727167	630.23
6400	MYCO INDUSTRIES, INC.	.07812500	859.40
9941	YATES DRILLING COMPANY	.25000000	2,750.09
9943	YATES, MARTIN III	.17137500	1,890.61
9944	YATES, JOHN A.	.11458333	1,260.46
9999	YATES PETROLEUM CORPORATION	.25000000	2,750.09
TOTALS		1.00000000 ==	11,000.36 == <<<<

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	11/30/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE
		AMOUNT

WELL OPERATING COSTS *****

11-07 UNION SUPPLY CO 45266 1-2 1/2" STG. NIPPLE	5101	48.68
TOTAL WELL OPERATING EXPENSE		48.68

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	3.80
5490	LOS CHICOS	.05729167	2.79
6400	MYCO INDUSTRIES, INC.	.07812500	3.80
9941	YATES DRILLING COMPANY	.25000000	12.17
9943	YATES, MARTIN III	.17187500	8.37
9944	YATES, JOHN A.	.11458333	5.58
9999	YATES PETROLEUM CORPORATION	.25000000	12.17
TOTALS	1.00000000 **	48.68 **	<<<<<

INTANGIBLE DRILLING COSTS *****

11-04 I & W. INC.	387.3 HAUL COMPLETION WATER	9242	1,465.82
11-12 ARTESIA LUMBER	ALC11 COMPLETION MUD	9243	163.25
9-20 PEABODY VANN	10881 PERFORATE 10/6	9245	1,109.16
9-20 PEABODY VANN	10881 LOGGING 10/3	9245	2,596.38
10-06 PEABODY VANN	11019 PERFORATE 10/29	9245	1,395.68
10-06 PEABODY VANN	11019 REDRESS PKR & ON/OFF TOOL	9246	928.01
10-29 HALLIBURTON	87984 5 1/2" RTTS & RBP (10/29/80)	9246	1,800.48
10-31 T & C RENTAL TO	R8517 FRAC TANK RENTAL	9246	877.76
10-30 HALLIBURTON	NS 26 FLUSH OUT W/ACID	9247	1,371.47
10-31 AMERIGAS	57024 CHEMICAL	9247	2,358.20
TOTAL INTANGIBLE DRILLING COSTS			14,066.21

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1,098.92
5490	LOS CHICOS	.05729167	805.88
6400	MYCO INDUSTRIES, INC.	.07812500	1,098.92

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING • 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO • 88210

ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	11/30/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
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*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
9941	YATES DRILLING COMPANY	.25000000	3.516.55
9943	YATES, MARTIN III	.17187500	2.417.63
9944	YATES, JOHN A.	.11458333	1.611.75
9999	YATES PETROLEUM CORPORATION	.25000000	3.516.56
TOTALS		1.00000000 **	14.066.21 ** <<<<<

WELL EQUIPMENT *****

10-06	PEABODY VANN	11019 5 1/2" PKR & ON/OFF TOOL	9304	4.137.81
TOTAL WELL EQUIPMENT				4.137.81

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	323.27
5490	LOS CHICOS	.05729167	237.06
6400	MYCO INDUSTRIES, INC.	.07812500	323.27
9941	YATES DRILLING COMPANY	.25000000	1,034.45
9943	YATES, MARTIN III	.17187500	711.19
9944	YATES, JOHN A.	.11458333	474.12
9999	YATES PETROLEUM CORPORATION	.25000000	1,034.45
TOTALS		1.00000000 **	4,137.81 ** <<<<<

LEASE OR BATTERY EQUIPMENT *****

10-02	ROSWELL READY H 39212 5/8" ROCK 10/2	9403	23.11
TOTAL LEASE OR BATTERY EQUIP.			23.11

*** DISTRIBUTIONS:

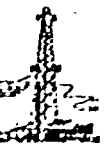
OWNER	OWNER'S NAME	INTEREST	SHARE
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YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



**YATES
PETROLEUM
CORPORATION**

YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	11/30/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE
		AMOUNT

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1.81
5490	LOS CHICOS	.05729167	1.32
6400	MYCO INDUSTRIES, INC.	.07812500	1.81
9941	YATES DRILLING COMPANY	.25000000	5.79
9943	YATES, MARTIN III	.17187500	3.97
9944	YATES, JOHN A.	.11458333	2.65
9999	YATES PETROLEUM CORPORATION	.25000000	5.77
TOTALS		1.00000000	23.11

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YATES BUILDING 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 08210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.		PROPERTY NAME		DATE
3392-02-10		JOHNSON 1L #2		10/31/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES		TYPE OF CHARGE	AMOUNT

INTANGIBLE DRILLING COSTS *****

10-07	LARUE DRILLING	10-01	DRILLING/FOOTAGE	9212	74,872.48
10-07	LARUE DRILLING	10-01	DRILLING/DAYWORK	9213	12,556.03
10-02	I & W, INC.	291.3	HAUL WATER	9214	1,045.44
9-04	JOHNSON, WAYNE	17857	DIESEL 9/19/80	9215	2,140.32
10-06	ARTESIA LUMBER	10-00	DRILLING MUD	9215	733.17-
10-21	ARTESIA LUMBER	10-05	KCL	9215	306.60
10-15	DRESSER IND., I	22493	ELEC LOGGING 9/26	9219	10,813.93
9-27	RUSTY'S WELDING	2297	ROADS TOO MUDDY TO REACH LOC.	9220	199.68
10-24	AHLEN, JACK	10/24	GEOLOGICAL/CONSULTING	9221	751.62
10-31			108030 10"X10"X16' SILLS 2	9222	73.70
10-15	MACK CHASE, INC	3054.	REV UNIT 10/3-7/80	9241	3,666.68
10-21	MACK CHASE, INC	3101.	REV UNIT 10/13-14/80	9241	1,826.42
10-31	MACK CHASE, INC	3251.	REV UNIT 10/28-10/31/80	9241	3,515.10
9-29	WILBANKS HOT OI	80-10	CIRC/KILL WELL.MV WTR-FRAC TNK	9242	605.28
10-16	I & W, INC.	336.7	HAUL WATER	9242	723.53
10-18	TWO-STATE TANK	1028.	TANK RENTAL	9242	668.82
11-03	ARTESIA LUMBER	ALC10	KCL	9243	244.88
10-03	BENNETT WIRE LI	1080-	BHP 10/12/80	9245	999.18
10-13	80-MONK PIPE TE	1886	TUBING TEST 2 7/8"	9245	761.80
10-27	JARREL SERVICE.	7329.	BAKER CHECK VALVE/SET VALVE	9245	1,836.64
10-03	RED LAKE TRUCKI	234.2	HAUL 2 7/8" TUBING	9246	437.84
10-03	RED LAKE TRUCKI	233.3	LOAD & UNLOAD 2 7/8" TUBING	9246	312.00
10-08	TC ROUSTABOUT S	1284.	HAUL 2088L TANK	9246	79.94
10-24	MACK CHASE, INC	3116.	WELD 5 1/2" NIPPLE	9246	99.60
10-07	WESTERN CO. OF	72921	FRAC 10/16/80	9247	16,161.74
10-07	WESTERN CO. OF	72921	ACID 10/7/80	9247	2,334.50
10-14	NOWSCO SERVICES	16468	ACIDIZE	9247	1,469.10
10-29	WESTERN CO. OF	75668	ACIDIZE 10/30/80	9247	2,278.14
10-31	WESTERN CO. OF	75666	FRAC 10/31	9247	16,144.28
9-19	TC ROUSTABOUT S	1206.	HAUL GRAVEL F/CELLAR	9249	133.24
9-19	TC ROUSTABOUT S	1206.	CLEAN LOCATION	9249	282.16
10-14	T & C RENTAL TO	6597.	INSTALL SAFETY ANCHORS	9249	430.56
10-20	ARMSTRONG & ARM	1263	BLADE ROAD	9249	2,208.84
10-22	TC ROUSTABOUT S	1335	HAUL CASING, TANK, SEALS	9249	453.79
10-20	ARMSTRONG & ARM	1263	PULL TRUCKS	9250	3,693.50
10-22	BILCO SUPPLY CO	30304	2" BULL PLUG	9250	20.72

TOTAL INTANGIBLE DRILLING COSTS 163,414.91

*** DISTRIBUTIONS:

OWNER *-- O W N E R * S N A M E --* INTEREST SHARE

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



**YATES
PETROLEUM
CORPORATION**

YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 08210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	10/31/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE
*** DISTRIBUTIONS:		
OWNER	OWNER'S NAME	INTEREST
0050	ABO PETROLEUM CORP.	.07812500
5490	LOS CHICOS	.05729167
6400	MYCO INDUSTRIES, INC.	.07812500
9941	YATES DRILLING COMPANY	.25000000
9943	YATES, MARTIN III	.17187500
9944	YATES, JOHN A.	.11458333
9999	YATES PETROLEUM CORPORATION	.25000000
TOTALS		1.00000000 ** 163,414.91 ** <<<<<
WELL EQUIPMENT *****		
10-31	BEARING SERVICE 77332 2" SWAGE NIPPLE	9301 77.80
10-31	108030 2 7/8 6.5 J55 TBG 4301	9303 17,763.13
10-31	10804 2 3/8" GATE VLV GULFCO 1	9320 1,004.00
10-31	108030 2" GULFCO GATE VLV 1	9320 1,004.00
10-31	108065 2 7/8 GULFCO GATE VLV 1	9320 1,004.00
10-31	10804 2" GULFCO ADJ. CHOKE 1	9320 427.50
10-31	108077 2 7/8 6.5 J-55 TBG 182	9330 564.20-
10-31	108077 5 1/2 14# K-55 CSG 40	9330 204.00-
TOTAL WELL EQUIPMENT		20,512.23 *
*** DISTRIBUTIONS:		
OWNER	OWNER'S NAME	INTEREST
0050	ABO PETROLEUM CORP.	.07812500
5490	LOS CHICOS	.05729167
6400	MYCO INDUSTRIES, INC.	.07812500
9941	YATES DRILLING COMPANY	.25000000
9943	YATES, MARTIN III	.17187500
9944	YATES, JOHN A.	.11458333
9999	YATES PETROLEUM CORPORATION	.25000000
TOTALS		1.00000000 ** 20,512.23 ** <<<<<
YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE		



**YATES
PETROLEUM
CORPORATION**

YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2 YPC	9/30/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
INTANGIBLE DRILLING COSTS *****			
9-14	GEORGE BOYSE TR 2457 LEVEL LOC. ROAD. INSTALL CELLAR	9211	6,303.92
9-17	RUSTY'S WELDING 456.4 HL 13 3/8" F/CULVERTS	9211	62.40
9-22	JIM'S WATER SER 3357. WATER ROAD	9211	295.16
9-22	JIM'S WATER SER 3357. WATER ROAD	9211	646.50
9-24	JIM'S WATER SER CM109 WTR ROAD-CORR. INV#9-3357	9211	93.38-
9-10	JIM'S WATER SER 3257. HAUL WATER	9214	3,148.06
9-15	M & M RENTAL TO 18999 LINE RES. PITS	9214	1,397.76
9-17	JIM'S WATER SER 9-331 HAUL WATER	9214	1,902.12
9-22	JIM'S WATER SER 3357. HAUL WATER	9214	249.00
9-24	JIM'S WATER SER 9-339 HAUL WATER	9214	1,329.00
9-24	JIM'S WATER SER 9-339 HAUL WATER	9214	1,619.71
9-13	RANGER RENTAL 128.1 MUD PLANT RENTAL	9215	2,288.00
9-19	ARTESIA LUMBER 9-045 DRILLING MUD	9215	1,422.66
9-25	ARTESIA LUMBER 9-069 DRILLING MUD	9215	3,868.36
9-25	ARTESIA LUMBER 9-069 DRILLING MUD	9215	7,420.01
9-25	ARTESIA LUMBER 9-105 DRILLING MUD	9215	873.37
9-30	ARTESIA LUMBER 9-127 DRILLING MUD	9215	936.66-
8-15	ROSE GRAVEL COM 26117 GRAVEL	9217	312.55
9-10	DOW CHEMICAL US 0265. CEMENT 8 5/8" 9/18	9217	7,973.54
9-18	DOW CHEMICAL US 0279. CEMENT 13 3/8" CSG 9/15	9217	5,291.25
9-21	ROSE GRAVEL COM 26169 GRAVEL	9217	399.70
9-09	RUSTY'S WELDING 457.5 CLEAN LOCATION. HAUL PIPE	9220	312.00
9-18	DAVIS. H. W. JR 26550 CUT OFF 13 3/8". 8 5/8". WLD CLR	9220	193.52
9-25	BEARING SERVICE 77024 MOVE 8 5/8" CSG. PULL TRUCKS	9220	1,014.00
9-30	BEARING SERVICE 77050 S 1/2" NIPPLE	9224	56.70
9-24	BENNETT WIRE LI 980-4 TEMPERATURE SURVEY 9/27	9244	306.50
9-25	DOW CHEMICAL US 0272. CEMENT 5 1/2" CSG 9/27	9244	10,056.80
8-27	TC ROUSTABOUT S 1131. FENCE PIT	9249	433.89
9-18	GEORGE BOYSE TR 2456. REPR ROAD. SET CATTLEGRD 9/19	9249	3,376.47
9-23	TC ROUSTABOUT S 1222. FINISH FENCING PIT	9249	346.37
TOTAL INTANGIBLE DRILLING COSTS			61,869.30
*** DISTRIBUTIONS:			
OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	4,833.54
5490	LOS CHICOS	.05729167	3,544.60
6400	MYCO INDUSTRIES, INC.	.07812500	4,833.54
9941	YATES DRILLING COMPANY	.25000000	15,457.33

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING - 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO - 86210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2	9/30/80
REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE
		AMOUNT

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
9943	YATES, MARTIN III	.17187500	10,633.79
9944	YATES, JOHN A.	.11458333	7,089.19
9999	YATES PETROLEUM CORPORATION	.25000000	15,467.31
TOTALS		1.00000000	61,869.30

WELL EQUIPMENT *****

10-06	BEARING SERVICE 77127 5 1/2" TUBINGHEAD & CONN'S.	9301	2,076.86
9-30	BEARING SERVICE 77050 4459.75" 5 1/2" 14# J55 CSG.	9302	26,746.01
10-06	BEARING SERVICE 77127 5 1/2" CASING COUPLING	9302	37.94
9-30	980139 8 5/8" 24# K55 CSG 81"	9320	636.66
9-30	980139 13 3/8" 48# K55 CSG 76"	9320	1,081.48
9-30	980139 5 1/2" 14# K55 CSG 201"	9320	944.70

TOTAL WELL EQUIPMENT 31,523.65

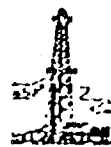
*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	2,462.79
5490	LOS CHICOS	.05729167	1,806.04
6400	MYCO INDUSTRIES, INC.	.07812500	2,462.79
9941	YATES DRILLING COMPANY	.25000000	7,880.91
9943	YATES, MARTIN III	.17187500	5,418.13
9944	YATES, JOHN A.	.11458333	3,612.08
9999	YATES PETROLEUM CORPORATION	.25000000	7,880.91
TOTALS		1.00000000	31,523.65

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE



YATES BUILDING - 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO - 88210



ANALYSIS OF JOINT OPERATIONS

PROPERTY NO.	PROPERTY NAME	DATE
3392-02-10	JOHNSON IL #2 YPC	8/31/80

REFERENCE NUMBER	DESCRIPTION OF CHARGES	TYPE OF CHARGE	AMOUNT
------------------	------------------------	----------------	--------

INTANGIBLE DRILLING COSTS *****

7-19 MCGOWN, JIM - W 15004 MAKE CUT OFF, HOOK UP FL 9/15	9220	224.64
9-16 BEARING SERVICE 76936 SAMPLE BAGS	9224	83.05

TOTAL INTANGIBLE DRILLING COSTS 307.69

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	24.04
5490	LOS CHICOS	.05729167	17.63
6400	MYCO INDUSTRIES, INC.	.07812500	24.04
9941	YATES DRILLING COMPANY	.25000000	76.92
9943	YATES, MARTIN III	.17187500	52.88
9944	YATES, JOHN A.	.11458333	35.26
9999	YATES PETROLEUM CORPORATION	.25000000	76.92

TOTALS 1.00000000 ** 307.69 ** <<<<<<

WELL EQUIPMENT *****

9-16 BEARING SERVICE 76930 8 5/8" CSGHD & CONN'S.	9301	590.79
9-16 BEARING SERVICE 76930 8 5/8" COLLAR	9302	126.68
9-16 BEARING SERVICE 76930 1652.89' 3 5/8" 24# J55 CSG.	9302	15,609.89
9-16 BEARING SERVICE 76936 460.15' 13 3/8" 48# H40 CSG	9302	7,293.38

TOTAL WELL EQUIPMENT 24,620.74

*** DISTRIBUTIONS:

OWNER	OWNER'S NAME	INTEREST	SHARE
0050	ABO PETROLEUM CORP.	.07812500	1,923.50
5490	LOS CHICOS	.05729167	1,410.56
6400	MYCO INDUSTRIES, INC.	.07812500	1,923.50
9941	YATES DRILLING COMPANY	.25000000	6,155.19
9943	YATES, MARTIN III	.17187500	4,231.69
9944	YATES, JOHN A.	.11458333	2,821.13
9999	YATES PETROLEUM CORPORATION	.25000000	6,155.17

TOTALS 1.00000000 ** 24,620.74 ** <<<<<<

YOUR AMOUNT IS POSTED TO THE ATTACHED SUMMARY INVOICE

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for amendment of Division
Order No. R-6367, Chaves County,
New Mexico.

CASE
7139

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Chad Dickerson, Esq.
LOSEE, CARSON, & DICKERSON
Artesia, New Mexico

1
2 MR. NUTTER: Call next Case 7139.

3 MR. PADILLA: Application of Yates Petro-
4 leum Corporation for amendment of Division Order No. R-6367,
5 Chaves County, New Mexico.

6 MR. DICKERSON: Mr. Examiner, Chad
7 Dickerson on behalf of the applicant, and I'm it.

8 MR. NUTTER: You're it?

9 MR. DICKERSON: The file will reflect,
10 Mr. Examiner, that Yates Petroleum Corporation has previously
11 furnished to the Commission a consent letter by McClellan Oil
12 Corporation consenting to its withdrawal as operator and sub-
13 stitution of Yates Petroleum Corporation as operator in the
14 forced pooling order previously entered in the Commission.

15 MR. NUTTER: At the time of the pooling
16 order, Mr. Dickerson, McClellan was the applicant.

17 MR. DICKERSON: Yes, sir.

18 MR. NUTTER: And sought to be named as
19 operator under the proposed units.

20 MR. DICKERSON: Yes, sir.

21 MR. NUTTER: Was Yates the poolee?

22 MR. DICKERSON: No, Mr. Examiner, Mr.
23 Jim Jennings was the poolee and the situation that caused
24 this to come up was that McClellan Oil Corporation was under
25 the mistaken impression that it owned all the working interest

1
2 in this well at the time they began drilling the well and
3 obtained a compulsory pooling order.

4 It then became, upon title examination,
5 evident to McClellan that Yates Petroleum Corporation owned
6 a substantial part of the well and as between the parties
7 they have agreed that it would be more beneficial for all
8 concerned for Yates Petroleum Corporation to serve as opera-
9 tor than to have McClellan Oil Corporation continue.

10 MR. NUTTER: So Yates is a working in-
11 terest owner in the well?

12 MR. DICKERSON: Yes, sir.

13 MR. NUTTER: And wishes to keep the
14 orders that were entered here intact with the exception it
15 would be amended to change the name of the --

16 MR. DICKERSON: Yes, sir.

17 MR. NUTTER: -- operator.

18 MR. DICKERSON: That's correct.

19 MR. NUTTER: Are there any other ques-
20 tions of Mr. Dickerson?

21 MR. DICKERSON: That's all I have, Mr.
22 Examiner.

23 MR. NUTTER: We'll take this case under
24 advisement.

25 (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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7139 heard by me on 1/28 1981.

[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for amendment of Division
Order No. R-6367, Chaves County,
New Mexico.

CASE
7139

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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18 MR. DICKERSON: That's correct.

19 MR. NUTTER: Are there any other ques-
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24 advisement.

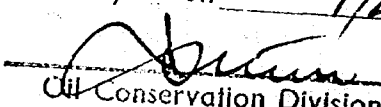
25 (Hearing concluded.)

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 Conserva-
tion 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, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7139
heard by me on 1/29 1981.
 , Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 13, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Chad Dickerson
Losee, Carson, & Dickerson
Attorneys at Law
Post Office Drawer 239
Artesia, New Mexico 88210

Re: CASE NO. 7139
ORDER NO. R-6590

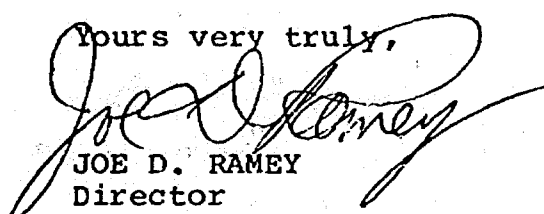
Applicant:

~~Yates Petroleum Corporation~~

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7139
Order No. R-6590

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF
DIVISION ORDER NO. R-6367,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.

(3) That there were no objections to such amendment of Order No. R-6367.

(4) That the Ordering Paragraph No. 2 on Page 4 of Division Order No. R-6367 should be amended.

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. 2 on Page 4 of Division Order No. R-6367 should be amended to read in its entirety as follows:

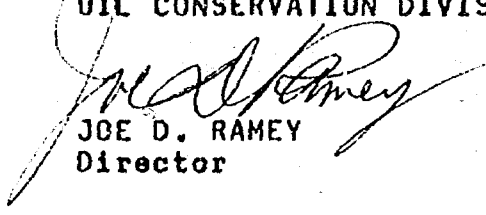
-2-
Case No. 7139
Order No. R-6590

"(2) That Yates Petroleum Corporation is hereby designated the operator of the subject wells and units."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/

Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7135: Application of Celeste C. Cryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)
Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)
Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7100: (Continued from January 14, 1981, Examiner Hearing)
Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East.

Application of Yates Petroleum Corporation
for an amendment of Division
Order No R6367. Applicant seeks the
amendment of Order No R 6367 to
~~permit the substitution~~
designate Yates Petroleum Corporation as
the operator of the well and units
pooled by said order replacing
McClellan Oil Corporation.

If ~~no~~ no parties appear and
object the order shall be amended
as proposed

Dan

Apparently one well drilled

McClellan Johnson Fee #1 L 30-6-26

Also for complete 11-14-80

812 MCFD



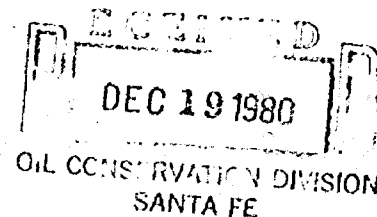
207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

December 3, 1980

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Richard Stamets



PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TRFAC

Case 7139

Re: Case No. 6897
Order No. R-6367

Gentlemen:

We are enclosing a copy of the captioned Order. Under this Order, the Johnson Fee No. 1, McClellan Oil Corporation, Operator, was drilled and completed as a gas well on November 21, 1980.

Section 2 of the captioned Order designates McClellan Oil Corporation as the Operator, and Sections 7 and 9 allow the Operator to withhold certain costs and charges.

Yates Petroleum Corporation and McClellan Oil Corporation now desire to make a change of Operator and respectfully request that the captioned Order be amended as follows: (1) Yates Petroleum Corporation be designated Operator, and (2) Any funds not disbursed may be escrowed in Eddy County, New Mexico.

We would appreciate you furnishing us a letter of amendment or advising of any further requirements you may have.

In compliance with the Order, itemized well costs will be furnished around January 15, 1981.

Thank you for your consideration of this request.

Yours very truly,

McCLELLAN OIL CORPORATION

Jack L. McClellan
Jack L. McClellan

RGP/bh
Enclosures

YATES PETROLEUM CORPORATION

Randy G. Patterson
Randy G. Patterson
Land Department

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

DEC 19 1980

OIL CONSERVATION DIVISION
CASE NO. 6897A FE
Order No. R-6367

APPLICATION OF McCLELLAN OIL
CORPORATION FOR TWO COMPULSORY
POOLINGS, CHAVES COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of June, 1980, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, McClellan Oil Corporation, seeks
an order pooling all mineral interests from 1200 feet below the
surface to the base of the Abo formation underlying the SW/4
and the SE/4 of Section 30, Township 6 South, Range 26 East,
NMPM, Chaves County, New Mexico.

(3) That the applicant has the right to drill and proposes
to drill a gas well at a standard location on each of the afore-
said 160-acre spacing and proration units.

(4) That there are interest owners in the proposed prora-
tion units 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 units 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 units.

(6) That the applicant should be designated the operator of the subject wells and units.

(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 each of said wells.

(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 \$1500.00 per month per well while drilling and \$220.00 per month per well 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 either of the subject wells 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 first of said wells on one of said units on or before September 15, 1980, the order pooling said units should become null and void and of no effect whatsoever.

(14) That upon failure of the operator to drill a well to completion, or abandonment, on the second spacing and proration unit herein pooled or to dedicate such unit to another Abo well within 12 months after the effective date of this order, Order No. (1) of this order should be null and void and of no effect whatsoever with respect to said second spacing and proration unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, from 1200 feet below the surface to the base of the Abo formation underlying the SW/4 and the SE/4 of Section 30, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico, are hereby pooled to form two standard 160-acre gas spacing and proration units, each to be dedicated to a gas well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said units shall commence the drilling of the first of said wells on or before the 15th day of September, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Abo formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of September, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the 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.

PROVIDED FURTHER, that should the second of said wells not be drilled to completion, or abandonment, within 12 months after the effective date of this order or if the pooled acreage is not otherwise dedicated to an Abo gas well, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded as to such well and unit.

(2) That McClellan Oil Corporation is hereby designated the operator of the subject wells and units.

(3) That after the effective date of this order and within 90 days prior to commencing either of said wells, 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 30 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 each of said wells; 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 \$1500.00 per month while drilling and \$220.00 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 said wells, 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 interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

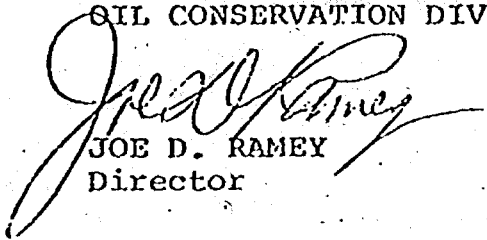
(12) That all proceeds from production from either of the subject wells which are not disbursed for any reason shall immediately be placed in escrow in Chaves County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the 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 Division may deem necessary.

Case NO. 6897
Order No. R-6367

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

SEAL

fd/

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7139

Order No. R-6590

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF
DIVISION ORDER NO. R-6367,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28
19 81, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of February, 19 81, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That ~~XXXXXXXXXXXXXXXXXXXX~~ the applicant,
Yates Petroleum Corporation, seeks the amendment of Order
No. R-6367 to designate Yates Petroleum Corporation as the operator
of the two proration units pooled by said order, replacing
McClellan Oil Corporation as operator.

(3) That there were no objections to such
amendment of Order No. R-6367

(4) That the Ordering Paragraph No. 2 on Page 4 of Division Order No. R-6367 should be amended.

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. 2 on Page 4 of Division Order No. R-6367 should be amended to read in its entirety as follows:

"(2) That Yates Petroleum Corporation is hereby designated the operator of the subject wells and units."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.