#### STATE OF NEW MEXICO



### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504

(505) 827-5800

January 5, 1993

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

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

Attention: Janet Richardson

Administrative Order DD-73(NSBHL)

Dear Ms. Richardson:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and unorthodox gas well locations (104.F) and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on November 25, 1992, for authorization to directionally drill its proposed Amaranth "AMG" Federal Com Well No. 1, Eddy County, New Mexico.

### The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) and 104.F(3) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 either have been or will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111.F, 104.F(3), and/or R-111-P, Rule G(3).

### IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Amaranth "AMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of

Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico by kicking off from the vertical and drilling in such a manner as to bottom in the Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of Section 12, being an unorthodox gas well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

- (2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.
- (3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.
- (4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the Morrow formation.
- (5) 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

WILLIAM J. LEMAY

Director

SEAL

cc: Oil Conservation Division - Artesia
U.S. BLM - Carlsbad
File Case No: 10643
William F. Carr - Santa Fe

### MEMO TO FILE DD-73 (NSBHL)

Date: 4-23-93

Bill Carr, Attorney for Yates Petroleum Corp. called this date to advise that the subject well was being drilled at this time. Information indicated that the proposed BHL should be changed from the one originally approved. The new BHL will also be non-standard in the Morrow formation but will only be closer to Yates' acreage.

They were asking for verbal approval to change the BHL. Given that the rig was on location drilling and the fact that they were offsetting themselves, I gave them verbal approval to continue drilling.

L. O. VAN RYAN

dr/

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

November 22, 1992

**POST OFFICE BOX 2088** STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

vanfle Rumel 11/25

Enron Oil and Gas Company

P.O. Box 2267

Midland, TX 79702

Yates Petrolum Corporation 105 South Fourth Street Altesia NM 88210

Attention: Betty-Gildon Janet Richardson

Yaks Peterstown Corporation

Dear Ms. Gilden: Dichor Scon

Administrative Order DD-19 Administrative Order DD-19 (NSBH)

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Erren-Oil and Gas Company made application to the New Mexico Oil Conservation Division on Getaber 27, 1992, for authorization to directionally drill its proposed James

Pearch Unit Well No. 18, Eddy County, New Mexico. Amaranth "AMB" Federal Com

November 25, 1

The Division Director Finds That:

- The application has been duly filed under the provisions of Rule 111(d) and (e) of the **(1)** Division General Rules and Regulations;
- Satisfactory information has been provided that all offset oil and gas operators and each **(2)** potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- The applicant has presented satisfactory evidence that all requirements prescribed in (3) General Rule 111 will be met; and Weither have been or
- No objections have been received from offset oil and gas operators within the waiting period **(4)** prescribed by said Rule 111. Family 104. F(3), and 10- R-111-P, Role 6.(3),
- A signed waiver from one potash lessee has been submitted by Western Ag-Minerals Company and the other leases have not responded within the required twenty-day period (R-111-1 / Rule G. (3)).

	MAL LANGE	FEB	MAR	APR.	MAY	JUNE	TIETA	AUG.	SEPT	OCT	MOA	DEC 1	PA 84 PROD M	AGE V CCUM. PROD
	NORTHERN NEW M	EX ICO												
	MONTHLY COUNT	Y	UNULATIVE		IN BY COUR	IT LES, OIL	SECTION	٠					,	
	01L 58453 6AS 618 WAT 1938552	56269 1969317	554.24 670 2075262	53433 700 1891742	57808 594 2134799	54025 1913246	56621 2055836	56926 614 2074086	54797 2003970	56204 506 1915629	54967 456 1874893	53007 1764919	667934 6900 23612253	23327344
	RIO ARRIBA COL OIL ZIZZ+Z GAS 12/4864 HAT 15349 SANDOVAL COUNT OIL 114364 GAS 114364 HAT 351081 SAN JUAN COUNT	1226254 1226254	1300764	209494 1265002 16680	1348035 1348035	1340182 1340182	1377835	268723 1417824 15525	1373037	1391897 1391892	259642 1380789 12387	263967 1381306 12937	16017166	37846805
	ŠĀNDOVAL ČŎÚNT OIL 28324 GAS 114564	120251	32603 132348 558905	30048 124104 343636	34367 131630	137366	123713	37775 1313784	51275 124844	52836 136556 591088	130749	20130 120132	1211128	5193838
,	UIL 122891	7 <sup>561107</sup> 126972	558905 122655	543630 122515	624361 128100	5371[9 120425			513842 126069	391088 124831			6793984 1512387	133263086
	GAS 557891 MAT 1306354	1247734	1267362 UMULATI VE	1181783 PRODUCT IC	1240542	1380093	125556 596921 1400189	131703 399174 1381249	1304006	1436913	1300134	130341 1272682	13916373	•
	MONTHLY, ANNUA HCKIMLEY COUNT GAS GIL	1989	3797	2796	3452	1284 <sub>,</sub> 8	SECTION 16122	16578	, 13456 38	12620	10646	14634	112164	1586070
	MĀT MORA COUNTY GĀS		į					26	. 3 <b>3</b>	25		10	*85	97281
	SAS 1293 94 ILU	70 53013 MIA	11052779	13574	10111318	9171114	8151416	7780958	8130130	12844921	120 751 90	13564661	128212210	4227697212
	GAS 129394 17 1 01L 61594 WAT 16973 SANDOVAL COUNT GAS 119355	. {4955 121377	13248	13574 116235	11149 127941	16161 94696	12368 133947	14896 159330	21956 142065	17178 125112	117366	31179 124628	185661 1503294	27530651
	SES MAUL MAZ		273	222	338	300	161	237	236	826	861	770	4732	27530651
	GAS 24200800 2 GIL 108138 HAT 45119 MORTHERM NEW M	1 1 3 70 1 3 3 3 5 3 EX 1 0 0	2111793 50774 11 PRODUCI	19078232 93586 49615 101AL 417490 1970378	19473007 89678 38351	17881191 77954 33558	22636762 86869 41884	21900710 90785 48663	22529591 89824 51580	27 [2] 621 621 28	28549101 129789 65597	33046348 156712 63400	282616569 1270675 604022	9307867537
į	ULT 45119 NORTHERM NEW M OIL 421916 GAS 1947937 WAT 3811336 NORTHERM NEW M	1015182	1L PRODUCT 438446 2031426 3814261 AS PRODUCT 33889370 175801 66287	197999 3633835	459629 2117629 4014935	448538 2048873 3846410	465576 2104446 4084874	495127 2149011 4084544	480051 2080747 4038042	487958 2101599 3959617	2071421 3087718	501435 31333170	23224120	199631073
	NDRTHERN NEW M GAS 37262865 3 OIL 169732	5464092 166733	175901 175901	TION TOTAL 29859523 144113	2971 5778 12 94 90 4 98 38	27159849 121701 44039	30908241 124994	29857576 125828	30815300 128628	40 [093]4 16434	40752303	46750271 15709 95347	413144537	135666 89458 62989949
	MONTHLY, AMNUA		UMULATIVE				27333 OLS	03010	7 3002	  		7737/ 	793900	
í	AKAH NEZ DEVON OIL OIL OIL GALLUP	IAN LAB		ANDOVAL_		. f.						et tida garanti Almaya	- 14-4 - 14-4	17199
1	<u> </u>	2 8 6 6	1938 1337	6500	4763	6837 130	493	665 [37	5809 132	· }}}	ન્યું કે	=10) 128	- 81 30 15 21	96480
i	ĀĪĀMITO GAĻĻUP GĀŞ	36 15	54 <sup>5</sup>	SAN JU 157	50 . 20 .	46 23	55 25	37	142 20	101	68 5	68 23	798 218	18874
	ÄLÄMD FARMÍNGT ÖLL 92 AMARILLD GÄLLU	ON _	53	23	2		16	7	16	30	16	30	369	23436
Í		TT UP 15	SOCIATED	1201	26 1978	962	14 	27 _1122	30 - 256	13	42 _ 858	22 1242	12798	51200 826435
	GAS 73690 MAT 106 ARMENTA GALLUP	87907 100	104240	90544	91078 100	91 00 8 103	82643	93322	85226 105	83433	70312	86838	1030672	530829
į	GAS 235868 MAT 103 BISTI LOWER GA	211617 211617	20039 206666	198959 75	18812 192884 35	193314 35	193179 303	15124 189828 328	186130	14000 176125 291	175078	173073	2333331	
	GAS 111887	23429 100074	3628 <u>2</u> 114553		27656 124081	27156 117543	28669 40583 124309	32345 38819 114983	30782 38193 116176	30293 110148	29885 101251	1717	1352249	35150252
i	BÎSTI LOMÊR GA GAS 11011 BLACKEYÊ MESAV GIL 100 BLACKEYÊ DAKOT	¥ 199	38	138	240 980	1050	-	235 626	536 820	208 690	438	337	3373	36135
	PLYNCO LOCITOR	SOUTH	1363	120 1390	407	397	434	745	736	787	_507	545	4999	1258 3902977
į	ĞÂŞ 1002 BLOOMFIELD_EAR	1 20 5 NG TON IN	50	10	1042 20	1269 51	1215	745 6244 90	736 4285 50	4694 25	507 5374 190	•	35373 618	28363
	GÅS 216 MAT Blue Mesa Mesa Dil	5ÖÂ VERDE	156 1674	1 192	130 625	94 862	1276	1169	1026	1110	1244	1269	13355	
- 1	DIL BOULDER MANÇOS		482	103	529 20	436 14	407	396	3 75 10	255 8	356 12	275 10	3614 120	12099
	GAS 24 MAI BUENA SUERTE P	196 22 78 ENN (AB	169 31 125 MDONEO 1	1609 114	985 110	642 26 114	954 31 125	902 23 102	583 21 105	946 20 102	506 117	141 125	7771 307 1307	1793176
į	OIL CHA CHA GALLUP DIL 9307	9435	9852	8949	9354	. 8853	9674	8390	7920	7376	7632	7648	104390	5296 9546151
	6AŞ 17197 MAT 27721 ÇHACO WAŞH MES	AV ER SE	19852 23611	16003 21815	9354 16926 21594	15618 20982	14819 21384	8390 14643 20334	13730 13730 13730	12376		23011 14061	194390 196242 246827	23280
į	COME PARADUX (	ABANDON	ED)	1,		<u> </u>		936 368	1150 295	1221	1213		1212	15527
	MINA SUERTÉ PO PARA CHA CALLUP 11 9307 11 9307 11 1797 11 1797	LUP-DAKI 2001 12568	1935	RIG ARRIBA 15237 197 5ANDOVAL 900	1 2906 1 9027 1 5 3	4003 20163 255	3334 13084 437	6640 19253 988	20071 20071	3535 18587 958	4261 16656 863	3712 16476 360	203132	127987
	COUNSELORS GAL OI L CAS	LUP-DAR	330 ATC	ANDOVÁĽ,	106 930	255 1117 900	111 930	41 450	90 420	300	116	76 450	952 6210	2896
į	CUERVO GALLUP	1514	1505	1181	1059	1355	302 1036	1154	201 1198	286 1278	1587		2804 14353	32391
	CUERVO MESAVER OLLS FORK GA	다 ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) (	S SOCIATED	82	63	98	97 27502	59 37784	70 20339	77 31030	30444	40 30247	850	49723 3069016
	ĞĀŠ 110978 MĀT DĒVILS FORK ME	124015 SAVERDE	144003	137114	13 17 63	165907	186703 186704 58	37786 183301 55	171595	31039 166860 66			1893905 773	
	OIL 636 GAS 435 WATERS ON WE	1119	395 393	866 488	1035	958 576 3	323 323	802 473	ii	1089 548	1513	1388	11707 11707	181757
		49704 49704	3865	30115	426 3 2	3878 30967 107	42231 105	57704 57650 135	5377}	487993	- 5138°	8834 86901	581092 1632	414289
-	EAĞLE MESA ENT DIL 4392 HAT 382900	#470 403500	40,2000	3796	403800	3908 317800	373300	3891 382900	36.78 3.52900	4021 402000	3360 350400		4433285	1065626
- 1	572 37235 601 37235 611 37235 611 671706	1 A 5 50 C	36232 26232	30 983 \$ 8 900E	36767	32 277 32 277	36341	11544 38558 826	+7357 +7357	+3528	_		87884 440638 3763	2810950
	ESCRITO GĂĴĹUP GAS 3656	14550¢	I AT ED   533 56 98	PART HAZ	1250	1376	<b>经</b>	1382 1382	11.01	1261 4940			16150 61601 272	
į	COUNSELORS GAL  CHERVO GALLUP  CALL  CHERVO HESAVER  COLLERVO HESA	UTA (AB	ANDONED)	- 29	- 21	12	- 17	17		16	13	12		40847
	FÖÜR GORNERS P OIL Fransciscan La Dil	KE MESA	· ADARUUMEE VERDE 2270			3022	2084	2474	2494	2347	· 20sz	2875	34396	91945 443303
	GAS 2501 MAT 25881 GALLEGOS GALLU	7333 2885 a	7570 75099 1416013	2993 560 22489	3148 594 24062	3023 576 25408	2984 354 24844	2674 493 19932	2494 442 23830	2367 466 21950			34396 6329 280672	
	FOUR CLARERS POLL FR ANSC I SCAN LA OIL 3074 GAS 2581 MAT 2581 GALLEGOS GALLU GAL 49639 MAT 3875	57 16 2 51 51 6	•1089 5305	53050 340	52397 11820	63 <u>8</u> 888	63333 348	533399 53316	29132	36489 397	23333 24333	***	787517	1978541
		•										-	•	

	<del></del>	
Attention:		
		Administrative Order DD-
~		
Dear	: /	
Under the	provisions of General Rule 111 (c), (d)	and (e),
made app	plication to the New Mexico	Oil Conservation Division on
	, for authorization to	directionally drill its proposed
	X,	County, New Mexico.
The Divisio	on Director Finds That:	
:		
(1)	The application has been duly filed un	der the provisions of Rule 111(d) and
	(e) of the Division General Rules and	Regulations;
(2)	Satisfactory information has been provi	ded that all offset operators have been
/	duly notified;	
(3)	The applicant has presented satisfac	ctory evidence that all requirements
	prescribed in General Rule 111 will b	e met; and
<b>(4)</b>	No objections have been received within	n the waiting period prescribed by said
	rule.	

Administrative Order DD-\* May 21, 1991 Page No. 2

Administrative Order DD-\* May 21, 1991 Page No. 3

(3)	Form C-105	shall be f	iled in acc	ordance with	Division Rule	1105 and	the
operator sha	all indicate th	ereon true	vertical de	pth in addition	to measured	depths.	

The  $\omega/2$  of said Section /Z shall be dedicated to the well (4) forming a standard 320 -acre spacing and proration unit for the subject pool. Morrow Sormalion

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** 

WILLIAM J. LEMAY **Director** 

SEAL

cc:

Oil Conservation Division -

USBAN - Carlely

Care File: 10643

William E Care - Artesia

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



OIL CONSERVATION DIVISIONAL YATES

RECTIVED S. P. YATES

CHAIRMAN OF THE BOAF

PRESIDENT

PEYTON YATES

GRAPHY G. PATTERSON SECRETARY

DENNIS G. KINSEY

### 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

December 16, 1992

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention:

Mr. Michael E. Stogner

Re:

Administrative Application for Directional Drilling - Amaranth 'AMG' Federal Com. Well No. 1, W/2 of Sec. 12, T20S-R30E

Eddy County, New Mexico

Dear Mr. Stogner:

Per your letter of December 10, 1992, enclosed is a copy of the federal Application for Permit to Drill the Amaranth 'AMG' Fed. Com. #1 well.

The requested bottom-hole location of the Amaranth 'AMG' Fed. Com. #1 well is unorthodox due to the trajectory calculated to drill orthodox locations in the Strawn and Morrow formations.

If you need any further information, please let me know.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson

Landman

JR/rab enclosures

, Form: 3160-3 (November 1983) (formerly, 9-331C)

### (Other instructions on reverse side) UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE.

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

	BUREAU OF	LAND MANA	SEMAN	DONSERVA TION	DIVISION	5. LEASE DESIGNATION AND SERIAL NO.				
A DDI ICATIO	N FOR PERMIT					NM-54298  6. IF INDIAN, ALLOTTER OR TRIBE NAME				
1a. TYPE OF WORK	IN FOR PERMIT						. 02 13132 122			
		DEEPEN	□'9	2 DE PLUGH	ACK FT	7. UNIT AGREEMENT N	AMB			
b. TYPE OF WELL		- <del>; - : - : ·</del> ·								
WELL L	VELL OTHER			ONE ZONI	TIPLE	8. FARM OR LEASE NAM	(B			
2. NAME OF OPERATOR						Amaranth "AMG" Federal				
Yates Petrole 3. ADDRESS OF OPERATOR	um Corporation			· · · · · · · · · · · · · · · · · · ·		9. WELL NO.				
				0003		1				
	irth Street, Art Report location clearly and					10. FIELD AND POOL, O				
At surface	sepore recursor creatily and	14 4ccordance wi	en any s	ource requirements)		Wildcat Morn				
1310' FNL and						11. SEC., T., R., M., OR I AND SURVEY OR AB	EA.			
At proposed prod. so: 2449' FNL and				•		Section 12-7	T205-R30E			
	AND DIRECTION FROM NEAR	<del></del>	12. COUNTY OR PARISH							
Approximately	y 25 miles NE of	Carlsbad,	New	Mexico		Eddy	NM			
15. DISTANCE PROM PROF LOCATION TO NEARES	08ED*		OF ACRES ASSIGNED	<del></del> _						
PROPERTY OR LEASE (Also to nearest dr)	LINE, FT.	1512'		280	THIS WELL 320					
18. DISTANCE FROM PRO	POSED LOCATION®		19. PE	OPOSED DEPTH	20. ROT	ARY OR CABLE TOOLS				
OR APPLIED FOR, ON TE	DRILLING, COMPLETED, HIS LRASS, FT.			12,600'	Rot	Rotary				
21. ELEVATIONS (Show wi	nether DF, RT, GR, etc.)				•	22. APPROX. DATE WO	RK WILL START			
_3322' GR	·					ASAP				
23.		PROPOSED CAS	ING AN	CEMENTING PROG	RAM					
SIZE OF HOLE	BIZE OF CABING	WEIGHT PER P	тоот	SETTING DEPTH		QUANTITY OF CEMEN	m			
26"	20"	94# J-55		425'		sacks - circula				
17 1/2"	13 3/8"	54.5# J-5		1550'		sacks - circula				
12 1/4"	8 5/8"	32# J-55		3100'		sacks - circula				
7 7/8"	5 1/2"	17# N-80		TD	1 600 s	sacks circulate	to 9800.			
	eum Corporation									
	Approximately 4									
	vel and cavings.									
	circulated. If	commercia	l, wi	ll perforate	and stim	ulate as neede	d for			
production.						_				
WID DOCEDAN	TW wol names	+0 4251. B	rino	to 1550!. EW	+~ 32001	. Cut Bring to	9700!			
MUD PROGRAM:	FW gel, paper Brine to 10,60					; cut brine to	9700 j			
BOP PROGRAM:						casing and test	ed dailv.			
DOL L'HOGIANI.	DOI 3 and nyar	11 W111 DO			0 0,0					
GAS NOT DEDI	CATED			# 1 A 1 4	ب					
	<del></del>									
						No. 18				
IN ABOVE SPACE DESCRIB zone. If proposal is to	E PROPOSED PROGRAM: If in drill or deepen directions	proposal is to dee illy, give pertinen	pen or p t data (	ong back, give data of on subsurface locations	n present pro-	ductive zone and propose ed and true vertical depth	a new productive is. Give blowout			
preventer program, if an	_					<del></del>	<del></del>			
24.	4 (11)			~ _						
BIGNED	Dunking	TI	TLE	Landman		DATE	1-92			
(This space for Fed	eral or State office use)				<del></del>					
,										
PERMIT NO.				APPROVAL DATE	<del></del>		·			
						- 1 <i>d</i> -				
APPROVED BYCONDITIONS OF APPRO	VAL, IF ANY:		TLE			DATE				

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

### **OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

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

### WELL LOCATION AND ACREAGE DEDICATION PLAT

· ·				All Distances mu	21 na 110111 (1)6 (	outer poun	OGUES OF	uie section					
Operator					Lease						Well No.		
YATES	PETF	ROLEU	M CORPORAT	ION	AM/	ARANTH	AMG I	EDERAL	CO	M	<u>                                      </u>		
Unit Letter	Section	מס	Township	)	Range					County			
		12		20 SOUTH	30	DEAST		NM	ľМ	EDDY	COUNTY.	NM	
Actual Footage Loca	ation of	Well:	SURFACE LO	CATION									
1310		rom the	NORTH	line	and 2	630		feet fi	mon	the EAST	line		
Ground level Elev.		Pr	oducing Formation		Pool			1			Dedicated A	_	
3322.			Morra	<b>~</b>	(,	J. Jac	<b>.</b> +	Morr	ه د	J	320	Acres	
1. Outline	e the ac	reage de	dicated to the sub		d pencil or hach	ure marks o	on the pla						
2. If mon	2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).												
3 If mon	3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization,												
	unitization, force-pooling, etc.?												
<b>S</b> Z	Yes	-	☐ No		s" type of conso			munit	: 2	ta			
			owners and tract of	lescriptions which	have actually be	en consolic	dated. (U	se reverse sid	le of	,			
this form			igned to the well u	atil all interests b	ava basa sassali	dated (by a							
			igned to the well t nit, eliminating su					zauon, uniuz	auot	i, torcea-pootin	ig, or otherwis	=)	
5. 424.	202 32		mit cilitaniane po	ar interest, may se	on approved by t	210 21110102		<del></del>	$\neg$			<del> </del>	
	6					i				OPERAT	OR CERT	FICATION	
	•	4: 4		I I ili		1						the information	
_ WW-		- !				j 1		-				d complete to the	
	۵	!				ļ		1		est of my know I	ileage anameli	ej.	
254299	0	!		o l		ļ			1	ignature)	<del>- ^ {      </del>	<del></del>	
'		- i		100		i				Ya ha	. (). <i>N</i> Y		
								1	-	400	wey		
		1			2	630			ľ	Tinted Name	. (	1.1	
		-;		SURFA	G.F.	<del></del>				Ken D	cardens	<u>'M</u>	
-		i	it	LOCAT		ì		ľ	1	Position			
		1	5442			i			Ļ	hande	han		
-			Ø			-			10	Company	11	-	
		l I		21		- !		1	L	ratu	Pet. 1	rus.	
		į.				ŀ			I	Date	<b>3</b> . (	· •	
		!,	PROPOSED BOTTOM HO	, <u>-</u>		ļ		}	L	11-	<u> </u>	76	
1512'	• •	•	LOCATION			ı		-		SURVE	YOR CERT	IFICATION	
	<del>'</del> -	-	CUCHTION	<del>-</del>		<del></del>			1	JON 12	OK CLIVI	n ichinon	
	8.	e   'So	1 1 1 1	· 3. 1		Ì				hereby certi	fy that the w	ell location shown	
		j				i		. ]		on this plat v	vas plotted fi	om field notes of	
/ NW-		i				i		}				me or under my	
1,0702	.07	- 1				ì		ji L		•		same is true and	
1		!				l i		4			e vesi oj m	y knowledge and	
		!	•			į		1	1	belief.			
100	\ '		111	No. of the last		ļ		-	١	Date Surveyed			
		¦		+		-+-			1	NOVEMBE	R R208 £ 1/9	<b>6</b> 92	
	7.2	1/	1111			1		į	<u> </u>	Signature & S Professional &	eal of	1	
		i	•	<b>7</b> 9		ĺ		1		Professional &	myet bEXI	<b>/</b> · <b>/</b>	
I / NW.	-	i		g .		i		Ì		🖹	~~~	1 1	
	2				•	j		j	1	1-11	5412	) <u>e</u> (	
18691	5	!		ا أو الأ		l 1				18 7	0416	MOINEER	
[ <b>]</b> / ,		ļ		<i>1</i> .1		ļ			li	(/\s\/	X41.8	15/	
11/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1	, ,	ا, ا		<i>,</i> 71	•	ļ				Ceruilçate No		<del>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</del>	
			• • • • • • • • • • • • • • • • • • •							M 200	SP ONE SS 192	**/	
L. W. A. C.						T	7		i  -	NM PESE	A. MIT 22 DA	<i>KL</i>	
0 330 660	990	1320	1650 1980 23	10 2640	2000 15	500 10	000	500 0	,				

# YATES PETROLEUM CORPORATION Amaranth "AMG" Federal Com #1 1310' FNL and 2630' FEL Surface Location 1980' FNL and 1980' FWL at Strawn depth 2421' FNL and 1512' FWL at BHL Section 12-T20S-R30E Eddy County, New Mexico DRILLING PROGNOSIS

### 1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

600' 1,515' 1,640' 4,185'
1,640'
4,185'
6,645'
8,050'
9,465'
9,500'
10,072'
10,150
10,970'
11,125'
11,035'
11,200'
11,495'
11,700'
11,945'
12,185'
12,270'
12,550'
12,450
12,730'
12,600'
12,900'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water:

Approximately 350'

Gas:

All potential zones

### 3: PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

- A. The Blow-Out Preventor will be equipped as follows:
  - 1. One (1) blind ram
  - 2. One (1) pipe ram
  - 3. Kill line (3-inch minimum)
  - 4. One (1) kill line valve (3-inch minimum)
  - 5. One (1) choke line valve
  - 6. Two (2) adjustable chokes.
  - 7. Upper kelly cock valve with handle available
  - 8. Safety valves & subs to fill all drill strings in use
  - 9. 3-inch (minimum) choke line
  - 10. Fill-up line above the upper most preventor

### Amaranth "AMG" Federal Com #1 Page 2

B. Pressure Rating: 3,000 PSI

#### 4. THE PROPOSED CASING AND CEMENTING PROGRAM:

### A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft.	<u>Grade</u>	<u>Thread</u>	Coupling	<u>Interval</u>	<u>Length</u>
26"	20"	94#	J-55	8R	ST&C	0 - 425'	425'
17.1/2"	13 3/8"	54.5#	J-55	8R	ST&C	0 - 350'	350'
12 1/4"	9 5/8"	36#	J-55	8R	ST&C	0 - 2650'	2650'
7 7/8"	5 1/2"	17#	N-80	8R	LT&C	0 - TD	13,100'

- 1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
- 2. 8 5/8" casing to be set if lost circulation is encountered.

#### B. CEMENTING PROGRAM:

Surface Casing: Lead slurry 375 sx Lite "C" 1/4# Cellocel + 2% CaCl2 with weight of 12.4 ppg and Yield 1.87 cu.ft./sx. Circulate to surface.

Intermediate Casing on 3 3/8" casing: Lead slurry 925 sx Lite "C" with 1/4# Cellocel, 10# salt with weight of 12.4 ppg and Yield of 2.03 cu.ft/sx tail with 200 sx "Class C" with 2% CaCl2 on 8 5/8" casing lead slurry 700 sx "Lite C" with 1/4# Cellocel, 5# Gilsonite, 2% CaCl2 with weight of 12.4 ppg and Yield of 1.97 cu.ft./sx tail slurry 200 sx "c" with 1% CaCl2.

Production Casing: Will be cemented in 3 stages as follows:

Cement Program: Lead Slurry 600 sacks "h" with 8# CSE .89. CF-14, .35% LWL, .35% Thrifty lite. Cement calculated to 9800'. Weight of 14.0 ppg and yield of 1.59 cu.ft./sack. D.V. Tool at approximately 9800'.

2nd stage: D.V. Tool at approximately 6400'. Lead Slurry 525 sacks "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 200 sx Class "H" w/7% CF-14 with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 6400'. 3rd stage: Lead Slurry 600 sx "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 100 sx "H' neat with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 3400'. (500' tie back to 8 5/8" casing.)

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbon zones are cemented off. Fill-up to be determined from logs.

### 5. MUD PROGRAM:

<u>Interval</u>	<u>Type</u>	Weight	<u>Viscosity</u>	Fluid Loss
0 - 425'	FW gel/paper	9.0	34	N/C
425' - 1550'	Brine	10.0	28	N/C
1550' - 3200'	· FW	8.4	28	N/C
3200' - 9700'	Cut Brine	8.7	28	N/C
9700' - 10,600'	Brine	10.0	28	N/C
10,600' - TD	XCD, Drispak, Starch	9.5	33	12 CC

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

### Amaranth "AMG" Federal Com #1 Page 2

### 6. **EVALUATION PROGRAM**:

Samples: Every 10' out from under surface casing.

Logging: CNL/LDT - TD to casing with CNL/GR 5" to surface; DLL/MSFL, TD to casing; LSS, TD to

surface; possible intermediate logs 4000' to 1550' - CNL/LDT, DLL/MSFL.

Coring:

As warranted.

DST's:

As warranted

### 7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H2S anticipated.

### 8. ANTICIPATED STARTING DATES

Plans are to drill this well before the end of the year. It should take approximately 55 days to drill the well with completion taking another 20 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN** 

Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

### 1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 25 miles northeast of Carlsbad, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

### **DIRECTIONS:**

Go east of Carlsbad on Highway 62-180 for approximately 15 miles to Bluestem Road (360). Then Approximately 5 miles to Shugart Road (222) and turn south on caliche road approximately 3 miles. Follow caliche road approximately .8 of a mile to a two tract road going to the west. New road starts here following the two tract road most of the way to location.

#### 2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 9300' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northeast to southwest direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both side. Some traffic turnout will be built.
- D. The route of the road is visible.

### 3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

### 5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a fresh water system. A local water trucking firm will be contracted to furnish the water. They will provide the water obtaining it from whatever sources available to them at their discretion. It will be trucked to the location over the existing and proposed roads shown in Exhibit A.

### Amaranth "AMG" Federal Com #1 Page 2

### 6. SOURCE OF CONSTRUCTION MATERIALS:

A. The dirt contractor will get the caliche from the closest source to well and take care of payment to owner.

### METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allows to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

### 8. ANCILLARY FACILITIES:

A. None required.

### 9. WELL SITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

### 10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level when dry.
- 11. SURFACE OWNERSHIP: Bureau of Land Management, Carlsbad, New Mexico

### 12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

### Amaranth "AMG" Federal Com #1 Page 3

### 13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

B. Through Drilling Operations, Completions and Production:

Ken Beardemphl, Landman Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 Mike Slater, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

### 14. CERTIFICATION:

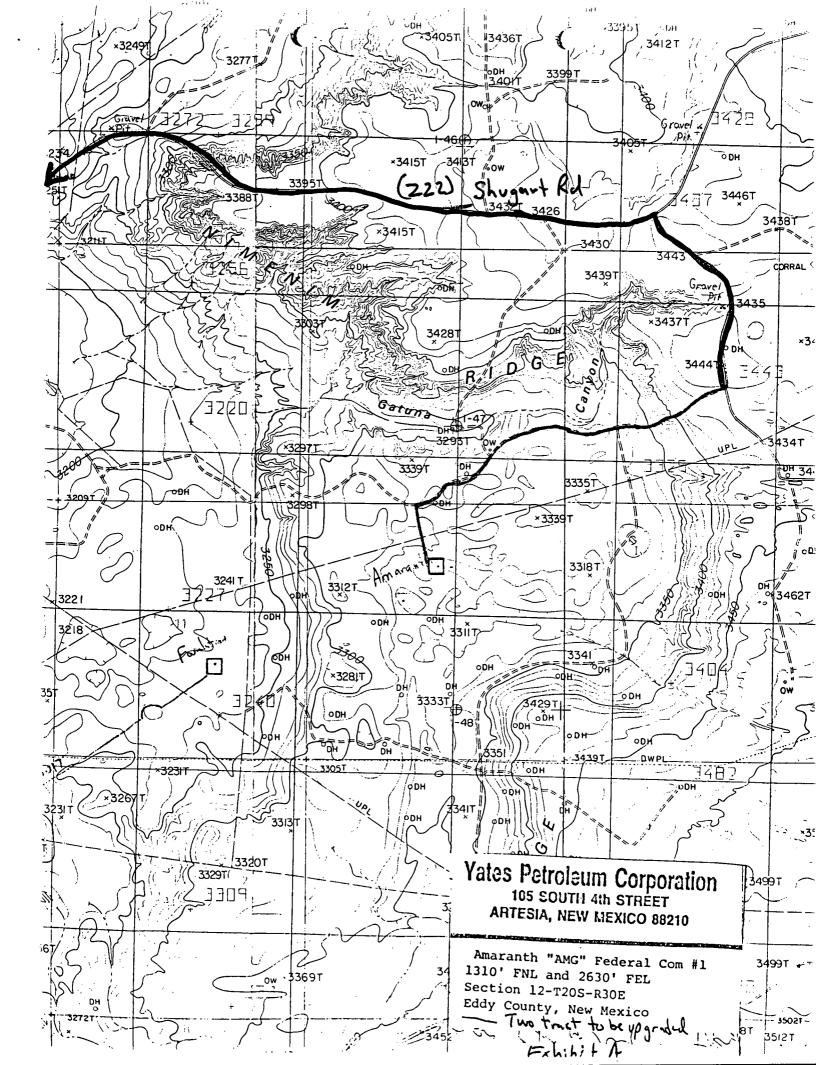
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

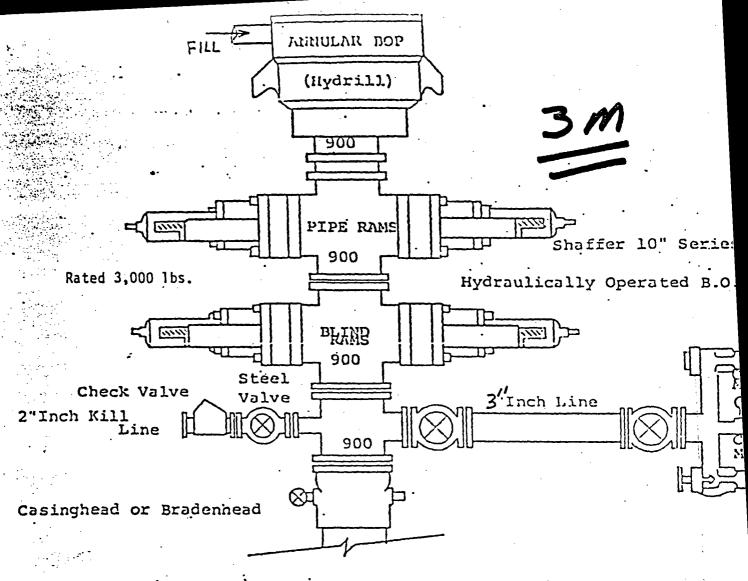
12-14-92

Date

Ken Beardemphl

Landman



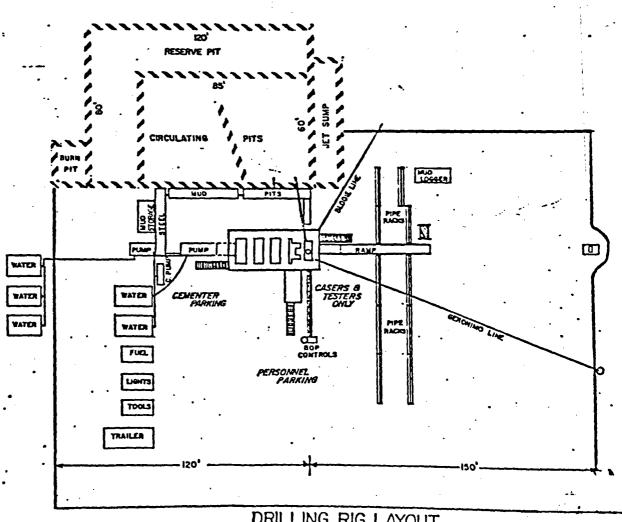


### THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 1. All preventers to be hydraulically operated with secondary manual constalled prior to drilling out from under casing.
- 2. Choke outlet to be a minimum of 3 " diameter.
- 3. Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all st hole or tube a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of the required with sufficient volume to operate the B.O.P.'s.
- 6. All connections to and from preventer to have a pressure rating equation to that of the B.O.P.'s.
- 7. Inside blowout preventer to be available on rig floor.
- 8. Operating controls located a safe distance from the rig floor
- 9. Hole must be kept filled on trips below intermediate casing.

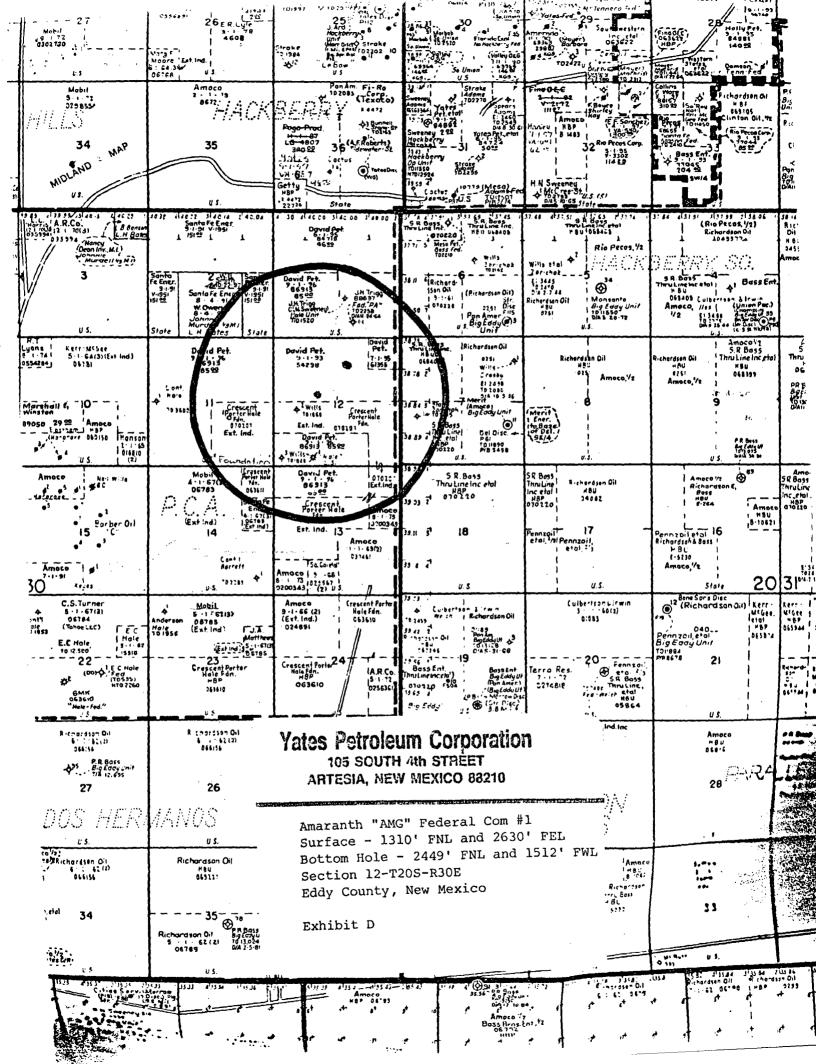
EXHIBIT B

## YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT Scale: Inch = 50 feet

Exhibit C



#### STATE OF NEW MEXICO



### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

**OIL CONSERVATION DIVISION** 



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

December 11, 1992

Yates Petroleum Corporation c/o William F. Carr Campbell, Carr, Berge & Sheridan, P.A. P.O. Box 2208 Santa Fe, NM 87504-2208

> RE: Case No. 10643. Application of Yates Petroleum Corporation for Directional Drilling, Eddy County, New Mexico.

Dear Mr. Carr:

The subject application will be re-advertised for the January 7, 1993 Examiner Hearing to cover the unorthodox bottom-hole location for the proposed Amaranth "AMG" Federal Com Well No. 1, (see General Rule 104.D(1)(a). I apologize this was not corrected when the original application was received.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner Chief Hearing Officer

MES/amg

cc: Case File: 10643

#### STATE OF NEW MEXICO



### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

**OIL CONSERVATION DIVISION** 



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

December 10, 1992

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Yates Petroleum Company 105 South Fourth Street Artesia, NM 88210

Attention: Janet Richardson

RE: Administrative Application for Directional Drilling -Amaranth "AMG" Federal Com Well No. 1, W/2 of Section 12, Township 20 South, Range 30 East, NMPM, Eddy County.

Dear Ms. Richardson:

So that I may process the subject application accordingly, please submit a copy of the Federal APD form for this well. Also, since the requested bottom-hole location is unorthodox, pursuant to General Rule 104.B(1)(a), please provide me a detailed explanation so that this issue can be addressed in the same order.

Should you have any questions or comments pertaining to this matter, please contact me.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/amg

cc:

William F. Carr - Santa Fe

File: Case No. 10643

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



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

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

TREASURER

November 23, 1992

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally

Drill the Yates Petroleum Corporation Amaranth

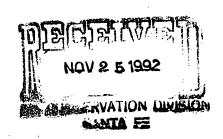
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool, Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which



attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

Janet Richardson

Landman

CC w/enc.: State of New Mexico

Oil Conservation Division

District II

P. O. Drawer DD

Artesia, New Mexico 88210

### SURFACE OWNER:

Bureau of Land Management 1717 West Second Roswell, New Mexico 88201

### **OFFSET OPERATORS:**

Santa Fe Energy 500 West Illinois 5th Floor Midland, Texas 79701

Amoco Production Co. P. O. Box 3092 Houston, Texas 77253

Scope, Ind. E. A. Culbertson Wallace W. Irwin P. O. Box 1071 Midland, Texas 79701

David Petroleum Corporation 116 West First Roswell, New Mexico 88201

Crescent Porter Hale Foundation c/o Ballard Exploration Company, Inc. 1705 First City National Bank Building 1021 Main Street Houston, Texas 77002 Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

### State of New Mexico Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION** 

Form C·102 Revised 1-1-89

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

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

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

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

### **WELL LOCATION AND ACREAGE DEDICATION PLAT**

Operator YATES Unit Letter	DETER				Lease				TOTAL NA	
	DETECT OF				Lease				Well No.	
Unit Letter	PEIRU	LEUM COR	PORATION		AMARA	NTH ANG I	PEDERAL CO	)M	1	<u> </u>
	Section		Township		Range			County		
		12	20	SOUTH	30 E	AST	NMPM	EDDY	COUNTY.	NM
Actual Footage Lo	cation of V	Vell: SURFA	CE LOCATI	ON	<del></del>					
1310	feet from			line and	2630		feet from	the EAST	line	
Ground level Elev.		Producing			Pool				Dedicated A	creage:
3322.			,			• *		-		Acres
2. If mo	ore than one	e lease is dedic	•	outline each and	identify the own	nership thereof	t below.  (both as to worki		• •	
unitiz  If answer this form No allow	zation, force Yes er is "no" le m if necces wable will	e-pooling, etc. i ist the owners a sary be assigned to	No If an and tract descript the well until all	swer is "yes" typ ions which have interests have be	e of consolidation actually been consolidated	onsolidated. (U	se reverse side of	<u> </u>		E)
OF Until	a non-stan	dard unit, elimi	nating such inter	est, nas oeen app	proved by the Di	VISIOII.	<del></del>			· · · · · · · · · · · · · · · · · · ·
			·	1310				I hereby	certify that in in true and	FICATION the information d complete to the ef.
	<del></del>	<del></del>	<del></del>	SURFACE	263	<u>Б</u>		Position		
	•	2440		LOCATION	:			Company		
		PRO	Posed					Date		r
1512	′	Bom	TION					SURVE	OR CERT	TFICATION
					ì	       		on this plat v actual surveys supervison, ar	vas plotted fi made by nd that the	ell location showi rom field notes o me or under m same is true and sy knowledge and
		 -!		<u> </u>		 		Date Surveyed	2 p2 (R. F. A.9)	<b>D</b>
						 		Signature & SP Professional &	5412	GNOINEER

October 2, 1990



Mississippi Chemical Corporation P.O. Box 1010 Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-111-P provides that a deep well shall be drilled no closer than one-half (1) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

B411 0000

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

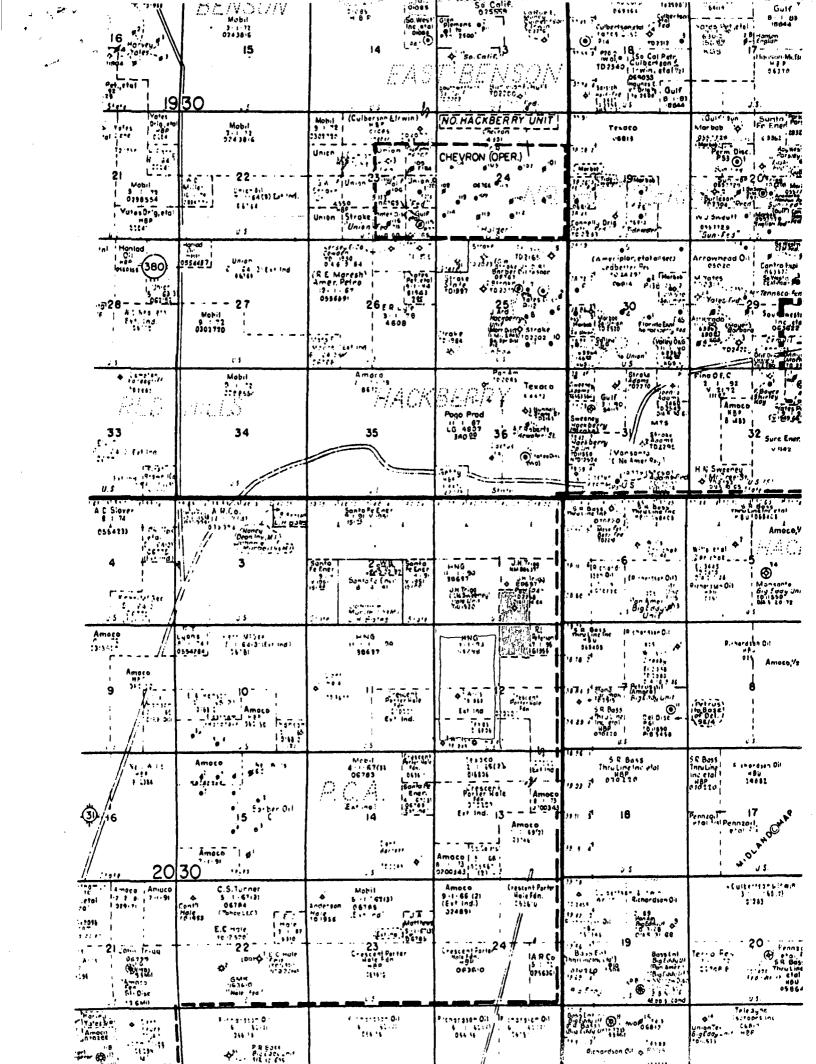
Company Manager

DAVID PETROLEUM CORP.

EDWARD K. DAVID, PRESIDENT

Certified Petroleum Geologist Oft. 505/622-8850

Res. 505/622-5267 116 West first Roswell, New Mexico 88201



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



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

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

November 23, 1992

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501 NOV 2 5 1992

Attention: Mr. William J. LeMay, Director

Application for Administrative Approval to directionally

Drill the Yates Petroleum Corporation Amaranth

"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool, Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Re:

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

Janet Richardson

Landman

CC w/enc.: State of New Mexico

Oil Conservation Division

District II

P. O. Drawer DD

Artesia, New Mexico 88210

### SURFACE OWNER:

Bureau of Land Management 1717 West Second Roswell, New Mexico 88201

### OFFSET OPERATORS:

Santa Fe Energy 500 West Illinois 5th Floor Midland, Texas 79701

Amoco Production Co. P. O. Box 3092 Houston, Texas 77253

Scope, Ind. E. A. Culbertson Wallace W. Irwin P. O. Box 1071 Midland, Texas 79701

David Petroleum Corporation 116 West First Roswell, New Mexico 88201

Crescent Porter Hale Foundation c/o Ballard Exploration Company, Inc. 1705 First City National Bank Building 1021 Main Street Houston, Texas 77002 Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

### OIL CONSERVATION DIVISION

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

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

<u>DISTRICT 1</u> P.O. Box 1980, Hobbs, NM 88240

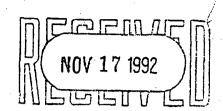
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

perator		· ,		Lease	<del></del>			Well No.
YATES	PETROLEUM CO	ORPORATION		AMARA	NTH ANG FE	DEDAT CO	ur.	,
Init Letter	Section	Township		Range	WIH AND FE	DERAL CO	County	<del></del>
	12	20 9	SOUTH	30 E	AST	NMPM	·	Y COUNTY, NM
ictual Footage Loca	ation of Well: SUR	FACE LOCATION	אר	30 2.		18/2/1,31	<u> </u>	COUNTY, MI
1310	feet from the NO	ORTH	line and	2630		feet from t	he EAST	r line
fround level Elev.		ng Formation		Pool		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	LA.	Dedicated Acreage:
3322.								Acres
1. Outline	the acreage dedicate	ed to the subject well	by colored pen-	cil or hachure rr	arks on the plat b	elow.		
2. If mon	e than one lease is de	dicated to the well, o	utline each and	identify the own	nership thereof (bo	oth as to workin	g interest and	I royalty).
	than one lease of di		dedicated to the	well, have the	interest of all own	ers been consoli	dated by con	umunitization,
unitiza	tion, force-pooling, et				,			
If answer	Yes is "no" list the owne			e of consolidation		reverse side of	<u> </u>	
this form	if neccessary	·						
	able will be assigned					tion, unitization	, forced-pooli	ng, or otherwise)
or until a	non-standard unit, el	iminating such intere	st, has been app	proved by the Di	vision.	•		
	i	<del></del>	<u> </u>				OPERA'	TOR CERTIFICATION
	; ;						I hereby	y certify that the information
,	!	•				1 1		ein in true and complete to the
	. ! ]						est of my know	wledge and belief.
	!		Ó			5	gnature	
			131		•		· · · · · · ·	į
	1					-	ninted Name	
			<b></b>	263	<u>6</u>	' '		
			Surface			P	osition	
	1 9		LOCATION		ļ			·
	1 75						ompany	
].	i l''							
	il						ate	
ĺ	i PR	OPOSED			i .			ļ
15:01		ottom HOLE		,	·		OV TO 1 FF	VOD GEDTENOLITION
1512'	Lo	CATION					SURVE	YOR CERTIFICATION
	<b>,</b> ,				i İ	,	hereby:care	ify that the well location shown
	•				) 	1 1	•	was plotted from field notes of
	1			•	l T		ctual surve	ys made by me or under my
ļ					[ 			and that the same is true and
	ļ · ','				1	1 1		he best of my knowledge and
				•	1	'	ælief.	
					!		Date Surveye	d
			<u> </u>		<del> </del> -		NOVEWBE	IR R201 F 1993
	1				j		Signature &	R RZU F 1992 Seal of Surveyof X/CO
				•	1		Piolossioiraix	STATE OF A
	1				1		1 /	7 \ \ \ \ \
	i				1		\ \B_{\alpha}	(5412) (3)
	i				i			( 5412 ) SHE
	i				i		da X	( K J J J S / 2 )
	i				į		Certificate	0.000

October 2, 1990



Mississippi Chemical Corporation P.O. Box 1010 Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection Section 1: SW/4 SE/4, Section 12: NW/4 NE/4 T-20-S, R-30-E, N.M.P.M. Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-lll-P provides that a deep well shall be drilled no closer than one-half (½) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By:

Company Manager

DAVID PETROLEUM CORP.

EDWARD K. DAVID, PRESIDENT Certified Petroleum Geologist

Off. 505/622-8850

Res. 505/622-5267

Roswell, New Mexico 88201

, (1)	10/11/V+0+//V Mabil 3 + 22	# B F   So West	OPENSON CHRISTING	Culturation and 1 1 1 1 1	54114 Gulf 8 1 88 20129 Set (14) 18844
16 movey # 1	07438-6	14	So. Calif.	(a) 214	Actes the state 10044  Alum 18 Septembre 156 Mg 9-16 Mg/m 17 17 17 17 17 17 17 17 17 17 17 17 17
Perturbal T	1	F ZAS	tour estate the state of the st	102340 Culberton / 1-win stolly oceans / 1-w	26310
<u>;; 19</u>	30	Mahil (Culberson Elewin)	NO HACKBERRY UNIT	11311 - 5 BBAA	Gulf Sun Sunta Park Narbab & IFE Ener 2012
> Votes   0-ig.eta 	Mobil 37 27 38 4	2301-10 2000 10 (P. )	4/3/	Texaco V6813	Star bob & Fr. 6. ner 2832 355 124 6 3362 Morbot Cinc daywes
21 Vobri	22	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	CHEVRON (OPER)	Market	Perm Disc daywe
1 3 72 0798554 Vutes 2r g, eta	100 to 10	Also Incress Fre	ing a series and a series	Course Piger	953 - 57 2 CV - 37 6 Miles
tal 1 Montad	l sgrad	Union red	Holger	Connelly Drig Creates	Sun-fee
1 C: 380	0554437; Union 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 4 6 3 64 1	1076 \$	(A myriplon, etataiteet Leiberrein 3 1024121 - Faction	Accommeda O   F
ا در اوا 1 (15 م) ما در اوا در او	27	7:1:6*   Peters   Pet	701997 \$ 7623.11@@ (6)	1,255 fe	Yates for 29 - Sov Mesti
Fer and	0301770	4608	JATO : A B CONTROL OF	Marson   St. of the Frontic Exert St. of the marson of the	1000
. 3	: 5 Mabri	e de ser me , serse	25 65.5 Feb. 1	5 1865	Our to June 1
\$2.000 10.000 10.000	17000	-/4(//	Texaco	Guild Strong	1 92 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9
33	34	<b>35</b> :	Pogo Prod 51 91000 51 10000 51 10000 51 10000 51 10000 51 10000 51 10000 51	Service - 3	32 Sure Ener.
E TO SERVICE TO SERVICE CRESSES			istrat Mali	dalaberny Alasani Brisso (Vansans 20090 t No Amerika	H & Sweeney
5 (1 ) (4 + 9 me ) (4 1) \$		.:	State	The state of the s	211 7 23 11911
A C Slover 8:174 C554233 1 7 7 7 7 7	Noney Noney	Santo fy Ener		Sid days O The Williams are or	Amoco,
4 through	A Transferred	50000 Z 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		6	Note that 5
	V; //	sonto to Const. As the second	38697   H Ir.gg	(0 - service (3))	Mansons Mansons
25 (5)	<u> </u>	State Commission Course	(1) 3 - 7 - 7   1   2   3   6   6   7   7   7   7   7   7   7   7	و هم رونه غور الله	DIA 1 20 72
Amoco	tuong the entropy of the end to t	HNG 31 - 1 - 30 38637	HNG Afford	11 (1) (1) (2) (4) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	P. merdin Cit
9 31: y	(4.5es); 10 = 1 , 1	11-77-7	12	American Applications	8
Marson 16 1 16 1 16 1 16 1 16 1 16 1 16 1 16	3	Parter hale that the same that	19 991 Operation of the control of t	74 29 4 70 27 70 70 0 50 mm	ireirus) ire Base! ire Base! ire Base! ire Base!
	Amoco Le n 19	Model (198190) Arest (198190) 4 67(3) (1981	61 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Tree : 55 Bass	S Bass
1 3386	. while I	06783 (616  Sontofe	Politicale Amoco	Thruting Indiadol MSP 1909 I OTOLEO	Tripuling 6 charasan Cit incretal 8 480 incretal 9 14682 atolica
(3)/16	Sorter Oil	Est no 1866)	Err Ind. 13 P	.ue 5¹ 18	Pernagail 17
	Amoch   g'	; s-1, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	A	n <b></b> *	400
// 191, 20	30 rilis c.s.turner	Mahil	Amoco (restent Party	V S 1919 A Continental tenning	- (users :
etal 17.7 8 7 7 1 91	\$ 1-67-31 Conth 06784 Male ("anceutich from	5 : (5713)  Andreson (6745  70:956  Marthews  10:556  Marthews	9-1-66 (2) Herefüh (Est Ind.) - 1526 U (32489)	19 at 1 Car Page 1 Car	<b>*:</b> 283
77. e   1   1   1   1   1   1   1   1   1	E.C. mare 1 (e)	23 C-126 + 121 + 121	1AR Co	19	20 Fenns *erro Fen (5) Front SR Ges
A C 06777 (Milyman) (196	GMM Veneral Veneral	18481\$	0636.0	Black of Board of State of Sta	SR Bos Thruting trains stall 490 0586
Haring Haring	3 · · · · · · · · · · · ·	2	Premarasan Ois   Primarasen Oil	4 68 1 1374	73 Teledyne g-4 surposting
Amocit	94 - 14 - 15 - 15 - 15 - 15 - 15 - 15 - 1	198 18 · · ·	954 14 / 1511 1 1511	Senardson Cit	Unighter 16Art 6-3f30yunit mgf 10-511
CO LA	The HER AS		I d	4 111/1	

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



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

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

November 23, 1992

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501 NOV 2 5 1992

Attention: Mr. William J. LeMay, Director

Application for Administrative Approval to directionally

Drill the Yates Petroleum Corporation Amaranth

"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool, Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Re:

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

Janet Richardson

Landman

CC w/enc.: State of New Mexico

Oil Conservation Division

District II

P. O. Drawer DD

Artesia, New Mexico 88210

### SURFACE OWNER:

Bureau of Land Management 1717 West Second Roswell, New Mexico 88201

### **OFFSET OPERATORS:**

Santa Fe Energy 500 West Illinois 5th Floor Midland, Texas 79701

Amoco Production Co. P. O. Box 3092 Houston, Texas 77253

Scope, Ind. E. A. Culbertson Wallace W. Irwin P. O. Box 1071 Midland, Texas 79701

David Petroleum Corporation 116 West First Roswell, New Mexico 88201

Crescent Porter Hale Foundation c/o Ballard Exploration Company, Inc. 1705 First City National Bank Building 1021 Main Street Houston, Texas 77002 Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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

DISTRICT II P.O. Drawer DD, Artesia, NM 88210 OIL CONSERVATION DIVISION

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

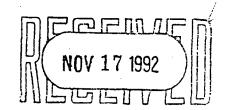
DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

70-2-1-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-	<u> </u>	All Distances			oundanes of the s	ection			
Operator				ase				Well No.	
YATES PETROLEUM CORPORATION					TH ANG FEDE	RAL CO		1	
Unit Letter   Sec	1	waship	1	ınge			County		
	12	20 SOUT	CH	30 EA	ST	NMPM	EDDY	COUNTY,	NM
Actual Footage Location	of Well: SURFACE	ELOCATION					-		_
1310 fee	et from the NORTI	H 1	ine and	2630		feet from	he EAST	line	
Ground level Elev.	Producing For	mation	Po	xol				Dedicated Ac	reage:
3322.			ļ			•			Acres
1. Outline the	acreage dedicated to t	ne subject well by co	olored pencil	or hachure ma	rks on the plat below	v.			
2. If more tha	n one lease is dedicate	d to the well, outline	each and ide	ntify the own	ership thereof (both	as to workin	g interest and	royalty).	
3. If more tha	n one lease of different	ownership is dedica	ited to the we	Il have the in	terest of all owners	heen consol	idated by com	munitization	
1	force-pooling, etc.?	. Ownership is dealer		ii, iiuve uie m	terest or all owners		dated by com	manazaci	
☐ Ye		o If answer is	"yes" type o	f consolidatio	<u> </u>				
	no" list the owners and	tract descriptions wh	hich have act	ually been con	isolidated. (Use rev	erse side of			
this form if no	eccessary.  will be assigned to the	well until all interes	te have har-	aoneolidata d	hy communities:	uniticatio=	formed ====1	or orbanis	
	will be assigned to the -standard unit, eliminat					, umuzauon	, iorea-pooli	ig, or outerwise	,
	i		· · · · ·	1	-		OPERAT	OR CERTI	FICATION
		il		i					the information
	1 1	1		ļ					i compiete to the
		- 1					esi oj my kotom	vledge and belie	y.
	!	$\vec{o}$		1		3	ignature		
	1 1	100		I			.B		
	1 1								
	il	L L		263	o'		rinted Name		•
			FACE	<del></del>					
	i		ATION	· i		P	osition	•	
	1 3			 	•			•	
	1 /2			l l			ompany		
	1			1	•				
				1		.     [	ate		
	PROPOS			ŀ					
1512'		n HOLE		1			SIRVE	YOR CERT	IFICATION
1312	LOCATI	ON			<u> </u>		SURVE	TOR CERT.	LICATION
	<b>i</b> '			į	. *		hereby certi	fy that the we	ell location shown
	i	·   ·		i	•			• •	om field notes of
	} 1 ·			1		4	iciual survey	s made by i	ne or under my
				!					same is true and
						1 1		ue best of m	y knowledge and
			·	1			selief.		
	1			1			Date Surveyed	i	
	!		·						<b>5</b> 0
	. i	İ		į	•		Signature_&\S	R P20 F 19	+
·.	1			,			Professional S	urveyor /	
	1						1 / 🔾	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	1 1
	1	1		ļ			11	( )	1 ~ 1
		:		- 1			거집	5412	131
11	1	•		1		1		VIII.	MGINEER
	i ·	[		1			day of	KATAKO	<u> </u>
	1			į		$\mathbb{R}^{+}$	Ceruikáteckió	· · · · · · · · · · · · · · · · · · ·	V. 7

October 2, 1990



Mississippi Chemical Corporation P.O. Box 1010 Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-lll-P provides that a deep well shall be drilled no closer than one-half (½) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

Bill Orran

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

Bv:

Company Manager

DAVID PETROLEUM CORP.

EDWARD K. DAVID, PRESIDENT Certified Petroleum Geologist

Certified Petroleum Geologist
Oft 505/622-8850

Off. 505/622-8850 Res. 505/622-5267 116 West First

Roswell, New Mexico 88201

16	Mobil 9 1 72 02438-6	M B F SO West	075555 1341-0 1	Culbertson elas (	5414 Gulf 70705 191 (18) 610 2 (18) 130000
16 Mo veu.	15	14 (24)	So Colle	10 314 10 70 717 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Sign #-1 Ciglian Kars 17 - Harring McGr Harring Harring Harring
********* 19	30 .	EAS	TOZZOO SI POMININA	70717 7070   B. So Cal Per 1073407   Liwin, etal %; Account of the control of	
Yores 2:0, ero		Mobil (Culberian Elewin)	NO HACKBERRY UNIT	Texaco	Sunta Pork Star bob & Fe Ener 2932
1, 1,		Unich (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	CHEVRON (OPER.)	CMARKET CONTRACTOR	Star bob   Fe F. net   2832
Mabil   9 : 12   0298554   Vutes Drig, etc.	M. (et ) 22	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	119 01-25 119 119 119 119 119 119 119 119 119 11	1900 1900 in 1	Burleson Great State
Votes Drig, eta:	. J S	Union Istrake mero Majul	eith gits ett?  'Ho, ger'	Connelly Drig 15813	OSSIZE TOTAL
Interest (380)	2554427) Union   Est Ind	State State	Strate St	(A myripion, etal all tect cerberter lies	Acrowness O. Cantro taple 13322
	27	26 F P 1 2 1 3 1 8	25 3	F-30 (00.7)	Yates from 29 -
Freind	0302770	4608	Trake (Michael Strake	Horbon   28 755" Floring Each	Armirodo Sovenesti 1993 (Moyer) OSSEZZ 1994 Barona OSSEZZ 1994 Paris
* 10-210-14 * 10-220-14	: 1 Mabil	Amora	20 0500 0 1 20 1000	-wa	Fine O.C.
Ttice:	27 - 25 - 25 - 25 - 25 - 25 - 25 - 25 -	MACK	Pogo Prod Disperse	Guil	Amoco agree h
33 1	34	35	11 1 37 15 4827 36 4 7 3 bents 340 00 36 4 dewner 31	Joenbery -3	32 Sure Ener
in the state of th			mol (m)	Toriso (No America)	H & Sweeney
77 11 11 11 11 11	A P Co.	Santa fy Ener B 1 51 V Ner 1 52 V	State Company	24 2014 O	Translation of the state of the
CS\$4733   \$75 Feb.	Noney MI	, 15 <sup>15</sup> , 1		10110	Amoco,V
. <b>4</b> মান্ত্রীলাইচ	,	Sunto Zgha Bando fefner er hittig y no. Sunto fefner y 1956	38607   UH 10.00 1	19 14 4 18 (19 14 14 14 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	er 1-015
5 (1.75)	// .	Million House, Control Course, Course	134 Sandrey	in se directe in the line in t	5:4 5:50 10:550 004 \$ 10 72
Amoco //	15 T	ખ ખ છે 11 10 36637	MNG 1	S R Book IP charasen Cil	Richardshin Cit
, Amoro		117 727 7		19 78 14 Frank Fra	01 \ Anroco;/2
/ · · · · · · · · · · · · · · · · · · ·	1 4 Tersy: 10 Amoco	Party male	12	29 8050 💇	integer
	13:43	15 ascent	9 14 14 8 -> 4.	48P   10.490 orders P-8.5458	S Bass
// Ne n :	Amoco   he n is	Model Argueria 4 67(3) 14- 06783 (3) 5010   South of E	\$16136 (Earling	5 R Bass Thru Line Incides MBP 1803 2 070 220	1 0017 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
(3)/16	• Earben Oil 15 C	Ent no 1956 13	Ports Amoco	) on \$ 16	Pennzoil 17
	Amoch [g]	t ent decrete territori	Amaca ( ) se	91.1	Pernatural Pennatural ennatura P
20	30 (ilis c.s.surner	Mahil	A 23 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	US Ning A Constitute & two	(Usersen und 147.0 3 (S) 15
efal 12 2 8 1 2 1 91 1 2 1 1 91 1 1 2 1 1 91 1 1 1	Contil 06784  Prole Charce Contil 06784  Prole Charce Contil Conti	anderson deres	(Estind) - 1526 0 324891   //	13 or 1 September 21 September 21 September 22 September	: 28)
- 21 John Trug	inno comple	Esting 15 miles 23 Crescent Parter Hele tan	24 # A	live in 19 Blooker Banglet	20 feans. Se Bes.
06729 (Blown) 236 (136 (136) (	GMM GMM GMM GMM GMM GMM GMM GMM GMM GMM	1600;2 	0636.0 075636	Storage this management of the storage of the stora	Circle Committee Thrustine Committee
Amocu	1 / rg-gryy 0 6 63-1 316-1	* 00000000 04 * 000000000000000000000000	Promarage Oil	Digitalia (O) modelia	Telesyne  off strongs inc  UnionTel 16811  6-9630yunin M2F
Amore hyprogen	PA East Paratturner Paratturner		386 46 // 1878		100.41

-3 t 3

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



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

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

November 23, 1992

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally

Drill the Yates Petroleum Corporation Amaranth

"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool, Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

Janet Richardson

Landman

CC w/enc.: State of New Mexico

Oil Conservation Division

District II

P. O. Drawer DD

Artesia, New Mexico 88210

### SURFACE OWNER:

Bureau of Land Management 1717 West Second Roswell, New Mexico 88201

### **OFFSET OPERATORS:**

Santa Fe Energy 500 West Illinois 5th Floor Midland, Texas 79701

Amoco Production Co. P. O. Box 3092 Houston, Texas 77253

Scope, Ind. E. A. Culbertson Wallace W. Irwin P. O. Box 1071 Midland, Texas 79701

David Petroleum Corporation 116 West First Roswell, New Mexico 88201

Crescent Porter Hale Foundation c/o Ballard Exploration Company, Inc. 1705 First City National Bank Building 1021 Main Street Houston, Texas 77002 Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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

DISTRICT II P.O. Drawer DD, Artesia, NM 88210 **OIL CONSERVATION DIVISION** 

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

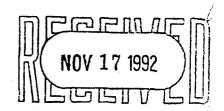
DISTRICT III
1000 Rio Brazos Rd., Aziec, NM 87410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	<del></del>	All UISE			boundaries of the	Section .			
•				Lease				Well No.	
YATES PETROLEUM CORPORATION			AMARANTH ANG FEDERAL COM				1		
Unit Letter	Section	Township		Range			County		
	12	20	SOUTH	30 E	AST	NMPN	1 EDDY	COUNTY,	NM
Actual Footage Loca	tion of Well: SURF	ACE LOCATI	ON						
1310	feet from the NO	RTH	line and	2630		feet from	nthe EAST	line	
Ground level Elev.	Producing	Formation .		Pool				Dedicated A	creage:
3322.				ļ					Acres
1. Outline	the acreage dedicated	to the subject well	by colored pen	cil or hachure r	marks on the plat belo	w.			
2. If more	than one lease is ded	icated to the well, o	outline each and	identify the ow	mership thereof (both	as to work	ting interest and	royalty).	
3 If more	than one lease of diff	erent ouwership is	dadicated to the	wall have the	internet of all ourse	h	alidated by ac-		
	ion, force-pooling, etc		denicated to the	well, have the	mierest of all owners	ocen cons	olidated by com	munitzation,	
	Yes		wer is "yes" typ	e of consolidati	on				
If answer	is "no" list the owners					verse side o	of		
	if neccessary.	<del></del>							
	able will be assigned to					n, unitizatio	on, forced-pooling	ig, or otherwise	:)
or until a	non-standard unit, elir	ninating such inter	est, has been app	proved by the D	IVISIOD.	<del></del>	<del></del>		
			11		<u> </u>		OPERAT	OR CERTI	FICATION
.	! ! .		[[		Í				the information
	1 1		<b>!</b> ]						d complete to the
	1		11		1		best of my know	vledge and beli	ef.
	1 1		<u> </u>		1				
•	il		310		İ		Signature		
	i 1		<sup>2</sup>		; [				
			<b>}</b> }	263	۱ ام'		Printed Name		
			<u> </u>		<del>"</del>			•	
			SURFACE		1		Position		
	1 2		LOCATION		ì				
	1 12	• •					Сотраву		<del></del>
	i 1''		ł		1		• •		
	i 1	•	<u> </u>		i		Date		
ŀ	ORC	POSED			i		Butt		
·		Tom HOLE			! · · · · · · · · · · · · · · · · · · ·				
1512'		ATION	1		1		SURVE	YOR CERT	IFICATION
					1				ell location show
·	1								om field notes o
	1 .				1				me or under m same is true and
	i i				į.				y knowledge am
ļ	,				,		belief.		,
ļ	!		ł		1		-		
	ļ				ļ		Date Surveyor		
			+		+	<b></b> } ∣	NOVEMBE	R R2Q £ 19	98
İ	1			,	1		NOVEMBE. Signature & S Professional &	calof	1
	i		1		1		Professional S	mixe & OF X	\ \
,					i		/ / <	~~~	1 1 -
	. !	•					-	5412	ا پي (
	į.						RES	5412	1岁1
	1.				ļ.		(八気 <b>ン</b> /	XIII &	WGINEER
.	1						Ceruikate No	A STEP	<del>/ \$ /</del>
1 1	i		1	•	1	ļ	CELITITION TO	CLE .	<b>\</b>

October 2, 1990



Mississippi Chemical Corporation P.O. Box 1010 Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-lll-P provides that a deep well shall be drilled no closer than one-half  $(\frac{1}{2})$  mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

y: /

Company Manager

DAVID PETROLEUM CORP.

EDWARD K. DAVID, PRESIDENT

Certified Petroleum Geologist

Off. 505/622-8850

Res. 505/622-5267 116 West First

Roswell, New Mexico 88201

16	Mobil 9 1 77 07438-6	H B F SO WENT	015554 Silvertiss	Culbertsonelar ( Fed 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10117 0 1 13 1 10144 10144 1014 1014 1014 101
16 Ho very	15	1 ''	**************************************	Wole ISe Cal Petr	56.49 9-(1 gian 17 - Harris Mela Harris Mela 18 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
252   15 252   150	30	EAS	TOTECO	OFFOST OFFOST	
Yates > Yates   Drig eve > Yates   wapp 'al cret   Cite	11	Mobil (Culberson Elewin)	NO HACKBERRY UNIT	11 3: Tendo 16813	Markob Sunta Par Markob S Fr Ener 293-724 (3362)
21	22	Unien Union Sylvering Con I Co	CHEYRON (OPER.)	Carrier	Perm Disc.   Control of the Control
Mobil   9 : 72   0298554   Vutes Drig, etc.	10 10 10 10 10 10 10 10 10 10 10 10 10 1	Lise Incress Fred	ing of the first	19 (19)	OST TO THE MENT OF THE PARTY OF
Hanlad	g 5	Union From 1 On	fly ger	Connectly Delig Trees (Connection of the American Connection of the America	500 F:3
380	10354497; Union 14 1 Enrind	GE Maresh Person	Tore of the street	(A my i plon, etat ar see) Leaberter En d 10 24 29 - Faction	Accompage 0: Control Table 0: Control Control Control Control Control Table 0: Control
- 28 Server - 28 Server - 19 - 19 - 19 - 19 - 19 - 19 - 19 - 19	Wor.1	26 E a 7 2 4 5 3 7 4 4 5 3 8	25	A First State of Stat	Yales fed 29 - Tonnaco el
, ., .,	0301720	Trigger of the control of the contro	12 084 81 87 02 02 10	Type (Valey One	1961 85000 061822 1961 95000 061822
**************************************	Mabil 3 - 1 277 955/	Amoro 2 - 1 - 1 - 2 3617 - 2 - 4 - 21 - 21	77.645 77.645 77.645 77.645 77.645 77.645 77.645	13 15 15000 1 10000 1	Fino O.C. 1 92 1 91 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
33	34	/7/HU/\ 35	Pogo Prod 0) 300 200 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Smeeney Mrs	Amoco oy rates
Section Section 1997 (1997)			200 m	Strang St	32 Sure Ener
US	19 (19)	20 (4) (4) (4)	Stone Stone	S AMOUNT	**************************************
A C Slover 8 1 74 C554733	Namey Committee of the	Santafy Ener	. !	Orazzo   Gerrafor Gerrafor	Production of the state of the
4 # 2.75 4	<b>a</b> . 7	Sunto fe finer - 250, 5 Fe for fe fe finer - 250, 5 Fe for fe right - Sunto fe finer y 1951	39657	19 11 \$\frac{1}{2} \tau_{1} \t	*************************************
5 (44) 25 (56)	// 	19:50 a 4 41 (5100) 	UM Trips	ra se direde in ili. Pan Amerika Pangkarana	Principle Oil Monance  Styledy Jr  115 100.550  Oils 20 12
Amoco //	0.40ns 1	> NG 11 · 1 · 30 30637	HNG ( 현년 1-1-73 ( 1-1-95 1-1-74 ( 16195	3 a Box 3 10 chardson C: Therefore 10 chardson C: Therefore 11 chardson C: Therefore 11 chardson C: Therefore 12 chardson	A. randshi Cit
9 21: 7:	10 To 1	11- 75-51		1 state of s	8
Marian Ma Ma Marian Marian Marian Marian Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma	3 33 3 7 7 Amoco	This is a second of the second	Est ind proper life		1 4 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Amoro L. A. A. A. A. A. A. A. A. A. A. A. A. A.		11300 10 11300 10 10 10 10 10 10 10 10 10 10 10 10 1	16 26 1 5 5 Bass	SR Bass Innuting: Expression Cit indicated # Bu
(3)/16	Some College	Isono Fe Enen 1900 1900 1900 1900 1900 1900 1900 1900	Pariet Hale Amoco.  Jen (8   13   21727   12100345		ดได้ราง
	Āmoch : g	1 mm 1 mm t Agentest	- Tabers	11 c at	eras hal Pennzoil
20	7 - 1 - 91	. 3	Amoco ( 12 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	75 T	Custores ou rain
etal 1.7.7 a. 7.11.91	6 5 1-67(3) Confl 06784 Hale (Tahensic) [	Mohil 5 : ST(3)  Anderson (6786  To 58 : Ext ro   UA:   Mother	9 - 1 - 66 (2) #e.efén (Est Ind.) 15:4 5	Part State Control of	2 733
7 7 21 100 From 7	E.C mare (177 a) 10 mare (277 a) 22 mare (177 a) 27 mare (177 a) 27 mare (177 a) 310 mare (	TO 1956 E TO JA MONTHON STATE OF THE STATE O	24# IAP Co	19	20 Fenns
34 06779 (Million) (Millio	GMA (Francis)	161813 161813	0636-0 (075636-)	Broker Bastol Bastol Saloudi S	1116P E 1144 Thruly
Maries Ystes W	\$ regressm0 \$ \$1.53 366.16	e introduced on the state of th	# :cm2: g30 m O11	And the second	Triedyne  ord scropes inc  unionies tehri 6 yildgumer m?F
16.13° 15	PRESIDENT PROPERTY OF THE PROP		//	Frengreisen Ciling from Services	