

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 17, 1973

Yates Petroleum Corporation
Yates Building
207 South 4th Street
Artesia, New Mexico 88210

Attention: Mr. Eddie M. Mahfood

Administrative Order TX-37

Gentlemen:

Reference is made to your letter of January 16, 1973, wherein you request authority to produce your Nickson BM Well No. 2, located in Unit A of Section 30, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, through 3-inch tubing. This is proposed as a temporary measure to permit depletion of the San Andres gas zone which blew out in the subject well and it is our understanding that you plan to resume drilling later on in an effort to complete the well as a Penasco Draw San Andres-Yeso oil well.

You are hereby authorized to complete and produce the subject well as described above.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

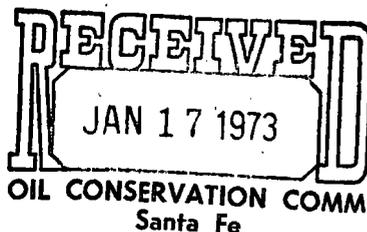
ALP/DSN/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs

C
O
P
Y



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



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

January 16, 1973

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Exception to OCC Rule 107(d), Temporary
Completion of Nickson BM No. 2
Penasco Draw San Andres-Yeso Pool
Eddy County, New Mexico

Dear Mr. Porter:

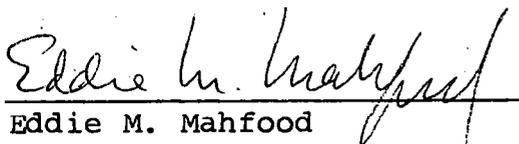
On the morning of December 18, 1972, while drilling the Nickson BM No. 2 at a depth of 1344', this well blew out and caught fire. The fire was subsequently extinguished and well capped. Approval was obtained from Mr. Gressett, District II Supervisor, to run tubing and packer for a temporary completion in order that the San Andres gas may be depleted until the well may be safely deepened for an oil well completion as originally proposed.

On December 29, a string of 3-inch tubing was run and set on packer in the 7-inch intermediate casing at a depth of 1147', the tubinghead nipped up and well shut in waiting on pipeline connection. The tubing was from an idle frac string stacked on the BM lease.

Mr. Gressett informs us that under the provisions of Rule 107 (d), we would need an exception to the Rule to run 3-inch tubing. While we do not interpret Rule 107(d) applicable in this case, we nevertheless respectfully ask for administrative approval for the running of the 3-inch tubing in this temporary completion. Thank you.

Yours very truly,

YATES PETROLEUM CORPORATION


Eddie M. Mahfood
Petroleum Engineer

EMM:jg