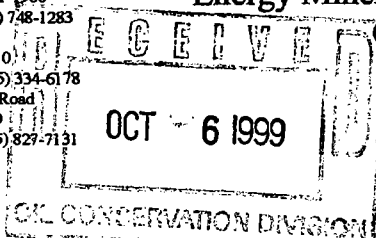


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET, ARTESIA, NM 88210							OGRID Number 025575	
Contact Party DENNIS P. MAUPIN							Phone (505) 748-4344	
Property Name SOUTH AVALON ASZ STATE COM						Well Number 1	API Number 30-015-30582	
UL C	Section 14	Township 21S	Range 26E	Feet From The 660	North/South Line NORTH	Feet From The 1650	East/West Line WEST	County EDDY

II. Date/Time Information

Spud Date 06/03/99	Spud Time 10:15 a.m.	Date Completed 09/07/99	Pool BURTON FLAT MORROW
-----------------------	-------------------------	----------------------------	----------------------------

- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
IV. Attach a list of all working interest owners with their percentage interests.
V. AFFIDAVIT:

State of NEW MEXICO)
County of EDDY) ss.
DENNIS P. MAUPIN, being first duly sworn, upon oath states:
1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.
Signature Dennis P. Maupin Title TAX DEPT. ASST. MGR. Date 10/05/99
SUBSCRIBED AND SWORN TO before me this 5th day of OCTOBER, 1999.
Suzanne B. Pearson
My Commission expires: 9-6-2003 Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Kelly</u>	Title <u>P.E. Speer</u>	Date <u>NOV 8 - 1999</u>
--------------------------------	----------------------------	-----------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 11/9/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

71212006933482

DIVISION OF INTEREST FOR:
South Avalon ASZ State Com #1
API Number: 30-015-30582

<u>OWNER NAME</u>	<u>INTEREST</u>
Abo Petroleum Corporation	.02032700
Oxy USA, Inc.	.04933600
Devon Energy Corporation	.38621800
MYCO Industries, Inc.	.04743000
Sacramento Partners Limited	.02494500
Sharbro Oil Ltd. Co.	.03212150
Titan Resources, L.P.	.04065500
Wilson, Mark	.05000000
Peggy A. Yates Estate	.04567300
Lillie M. Yates Estate	.03212150
Yates Drilling Company	.07447100
John A. Yates	.04567300
Judy H. Yates	.00254100
Peyton Yates	.00254100
Richard Yates	.00717500
Yates Petroleum Corporation	.13877200

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

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

WELL API NO. 30-015-30582
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K-4529
7. Lease Name or Unit Agreement Name South Avalon ASZ State Com
8. Well No. 1
9. Pool name or Wildcat Burton Flat Morrow

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Unit Letter C : 660 Feet From The North Line and 1650 Feet From The West Line Section 14 Township 21S Range 26E NMPM Eddy County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3160' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Spud & surface casing <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded a 26" hole with rat hole machine at 10:15 AM 6-3-99. Set 40' of 20" conductor pipe and cemented to surface. NOTE: Notified Carmen w/OCD-Artesia of spud. Resumed drilling a 17-1/2" hole with rotary tools at 5:30 AM 6-5-99.

TD 598'. Reached TD at 3:30 AM 6-6-99. Ran 14 joints of 13-3/8" 48# H-40 8rd ST&C (601.61') of casing set at 598'. 1-Texas Pattern notched guide shoe set at 598'. Insert float set at 556'. Cemented with 200 sacks "H", 10% A-10B, 1% CaCl₂, 1/4#/sack celloflake and 10#/sack gilsonite (yield 1.52, weight 14.6) and 400 sacks 65-35-6, 5#/sack salt, 1/2#/sack celloflake and 10#/sack gilsonite (yield 2.04, weight 12.5). Tailed in with 200 sacks "C" with 2% CaCl₂ (yield 1.34, weight 14.8). PD 8:45 AM 6-6-99. Cement did not circulate. WOC 5 hours. Ran Temperature Survey and found top of cement at 340'. Ran 1". Tagged cement at 310'. Spotted 100 sacks "C" with 4% CaCl₂. PD 3:30 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 210'. Spotted 150 sacks "C" with 4% CaCl₂. PD 5:15 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 200'. Spotted 75 sacks "C" with

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE June 10, 1999
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)

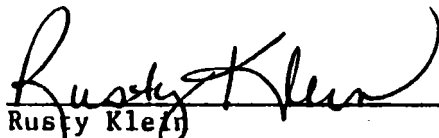
APPROVED BY Jim W. Brown TITLE District Supervisor DATE 6-21-99

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

4% CaCl₂. PD 7:00 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 195'. Spotted 175 sacks "C" with 4% CaCl₂. PD 8:15 PM 6-6-99. WOC 1-1/2 hour. Ran 1". Tagged cement at 125'. Spotted 66 sacks "C" with 4% CaCl₂. PD 10:00 PM 6-6-99. Circulated 3 sacks. WOC. Nippled up and tested to 1000 psi for 5 minutes. Drilled out at 12:15 PM 6-7-99. WOC 27 hours and 30 minutes. Reduced hole to 12-1/4". Resumed drilling.



Rusty Klein
Operations Technician
June 10, 1999

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-105
Revised 1-1-89

WELL COMPLETION OR RECOMPLETION REPORT AND LOG						WELL API NO. 30-015-30582									
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____						5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>									
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DRY RESER <input type="checkbox"/> OTHER _____						6. State Oil & Gas Lease No. K-4529									
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471						7. Lease Name or Unit Agreement Name South Avalon ASZ State Com									
3. Address of Operator 105 South 4th St., Artesia, NM 88210						8. Well No. 1									
4. Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>West</u> Line Section <u>14</u> Township <u>21S</u> Range <u>26E</u> NMPM <u>Eddy</u> County						9. Pool name or Wildcat Burton Flat Morrow									
10. Date Spudded BH 8-3-99 RT 8-3-99		11. Date T.D. Reached 7-2-99		12. Date Compl. (Ready to Prod.) 9-7-99		13. Elevations (DFA & RKB, RT, GR, etc.) 3160' GR									
15. Total Depth 11200'		16. Plug Back T.D. 10949'		17. If Multiple Compl. How Many Zones?		18. Intervals Drilled By Rotary Tools 40-11200'									
19. Producing Interval(s), of this completion - Top, Bottom, Name 10908-10914' Morrow						20. Was Directional Survey Made No									
21. Type Electric and Other Logs Run CNL/LDC & Laterolog						22. Was Well Cored No									
23. CASING RECORD (Report all strings set in well)															
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED					
20"				40'		26"		Cement to surface							
13-3/8"		48#		598'		17-1/2"		1266 sx - circ							
8-5/8"		24#		2178'		12-1/4"		1500 sx - circ							
5-1/2"		17# & 15.5#		11200'		7-7/8"		1800 sx							
24. LINER RECORD								25. TUBING RECORD							
SIZE		TOP		BOTTOM		SACKS CEMENT		SCREEN		SIZE		DEPTH SET		PACKER SET	
										2-7/8"		10818'		10828'	
26. Perforation record (interval, size, and number) 11041-11047' w/28 .41" holes 10908-10914' w/25 .42" holes								27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED SEE ATTACHED SHEET							
28. PRODUCTION															
Date First Production 7-22-99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing						Well Status (Prod. or Shut-in) Producing							
Date of Test 9-21-99		Hours Tested 24		Choke Size 20/64"		Prod'n For Test Period		Oil - Bbl. 2		Gas - MCF 617		Water - Bbl. 6		Gas - Oil Ratio	
Flow Tubing Press. 640#		Casing Pressure Packer		Calculated 24-Hour Rate		Oil - Bbl. 2		Gas - MCF 617		Water - Bbl. 6		Oil Gravity - API - (Corr.) N/A			
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold								Test Witnessed By Blaine Wallace							
30. List Attachments Drill Stem Test, Deviation Survey & Logs															
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief															
Signature <u>Rusty Klein</u>				Printed Name <u>Rusty Klein</u>				Title <u>Operations Tech.</u> Date <u>9-30-99</u>							

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates _____
 T. 7 Rivers _____
 T. Queen _____
 T. Grayburg _____
 T. San Andres _____
 T. Glorieta _____
 T. Paddock _____
 T. Blinebry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo _____
 T. Wolfcamp 8642'
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn 9771'
 T. Atoka 9994'
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs 4452'
 T. Delaware 2088'
 T. 3rd Sand 8012'
 T. Morrow Clastics 10726'
 T. Lower Morrow 10951'

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____
 No. 2, from _____ to _____
 No. 3, from _____ to _____
 No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	472	472	Surface rock				
472	2178	1706	Anhydrite				
2178	2281	103	Dolomite				
2281	2617	336	Sand				
2617	5215	2598	Dolomite				
5215	6437	1222	Lime & shale				
6437	99795	3358	Lime				
9795	10880	1085	Lime & shale				
10880	11200	320	Lime, shale & sand				

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

#27: ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.:

DEPTH INTERVAL

TREATMENT

10908-10914'

Acidized with 1500 gallons 7-1/2% Morrow acid,
25% methanol and 1000 scf/bbl N2

Frac'd w/37000 gallons 70Q foam and 40000#
20-40 ac-frac black sand - screened out.
Total sand in formation 11300#

Re-frac'd with 50647 gallons 70Q foam & 40000#
20-40 ac-frac black sand - pressured out.
Total pumped 6240 gallons 70Q foam with no
proppant

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

RESULTS OF DRILL STEM TESTS:

DST #1 2270-2338' (Delaware): TIMES: TO 15"; SI 60"; TO 60"; SI 180".
RECOVERY: 40' of mud. SAMPLER: 2600 cc mud. PRESSURES: IHP 1004;
IFP 26-32; ISIP 972; 2nd FP 33-45; 2nd SIP 887; FHP 918