

District I - (505) 393-6161

1625 N. French Dr

Hobbs, NM 88241-1990

District II - (505) 748-4283

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

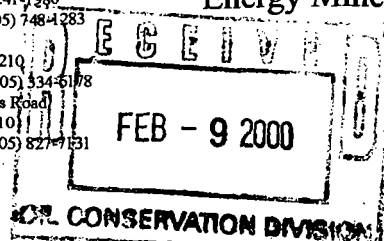
Oil Conservation Division

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 0225575	
Contact Party DENNIS P. MAUPIN							Phone (505) 748-4344	
Property Name GALLAGHER ATJ STATE COM						Well Number 1	API Number 30-025-34688	
UL G	Section 2	Township 16S	Range 35E	Feet From The 2300	North/South Line NORTH	Feet From The 2300	East/West Line EAST	County LEA

II. Date/Time Information

Spud Date 09/26/99	Spud Time 1:00 p.m.	Date Completed 12/14/99	Pool SHOE BAR MORROW, NORTH
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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)

ss.

County of EDDY)

DENNIS P. MAUPIN, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Dennis P. Maupin Title Tax Dept. Asst. Mgr. Date 02/08/00

SUBSCRIBED AND SWORN TO before me this 8th day of February, 2000.

Suzanne R. Pearson
Notary Public

My Commission expires: 9/6/2003

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 Behm</u>	Title <u>P.E. Spec.</u>	Date <u>FEB 14 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 2/14/00

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

PVZV2010848383

YATES PETROLEUM CORPORATION

GALLAGHER ATJ ST COM #1

API NUMBER 30-025-34688

OWNER NAME	INTEREST
Abo Petroleum	0.01107600
Amerind Oil Company, Ltd.	0.07396046
McMillan Production Company	0.03750000
MYCO Industries, Inc.	0.01107600
Permian Exploration Corp.	0.01875000
Shearn, Michael	0.10117566
Sol West III	0.25000000
Yates Drilling Company	0.01107600
Yates Petroleum Corporation	0.48538588
TOTAL INTEREST	1.00000000

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. 30-025-34688
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-478
7. Lease Name or Unit Agreement Name Gallagher ATJ State Com
8. Well No. 1
9. Pool name or Wildcat Eidson Mississippian

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	
2. Name of Operator YATES PETROLEUM CORPORATION	
3. Address of Operator 105 South 4th St., Artesia, NM 88210	
4. Well Location Unit Letter <u>G</u> : <u>2300</u> Feet From The <u>North</u> Line and <u>2300</u> Feet From The <u>East</u> Line Section <u>2</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3991' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Spud, conductor, resume drilling, surface casing & cement ☒

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 20" hole with rat hole machine at 1:00 PM 9-26-99. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified OCD-Hobbs of spud. Resumed drilling a 14-3/4" hole with rotary tools at 10:45 AM 9-27-99.

TD 425'. Reached TD at 8:00 PM 9-28-99. Ran 10 joints of 11-3/4" 42# H-40 (429.08') of casing set at 425'. 1-Texas Pattern notched guide shoe set at 425'. Insert float set at 382'. Cemented with 150 sacks Class C Poz (65-35), 5#/sack gilsonite and 6% bentonite (yield 1.95, weight 12.5). Tailed in with 200 sacks Class C with 2% CaCl2 (yield 1.34, weight 14.8). PD 1:05 PM 9-28-99. Bumped plug to 640 psi, OK. Circulated 130 sacks cement. WOC. Cut off and welded on flow nipple. Drilled out at 9:00 AM 9-29-99. WOC 19 hours and 55 minutes. Reduced hole to 11". Resumed drilling.

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Oct. 7, 1999

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-147

(This space for State Use)

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

OCT 18 1999

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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 API NO. 30-025-34688	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. VA-478	
7. Lease Name or Unit Agreement Name Gallagher ATJ State Com	
8. Well No. 1	
9. Pool name or Wildcat Shoe Bar Morrow, North	
10. Date Spudded RH 9-26-99 RT 9-27-99	
11. Date T.D. Reached 11-16-99	
12. Date Compl. (Ready to Prod.) 12-14-99	
13. Elevations (DF & RKB, RT, GR, etc.) 3991' GR	
14. Elev. Casinghead	
15. Total Depth 12940'	
16. Plug Back T.D. 12644'	
17. If Multiple Compl. How Many Zones?	
18. Intervals Drilled By Rotary Tools 40-12940'	
19. Producing Interval(s), of this completion - Top, Bottom, Name 12542-12590' Morrow	
20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run CNL/LDC, BHC & Laterolog	
22. Was Well Cored No	
23. CASING RECORD (Report all strings set in well)	
24. LINER RECORD	
25. TUBING RECORD	
26. Perforation record (interval, size, and number) 12706-12736' w/60 .42" holes 12542-12590' w/112 .42" holes	
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED SEE ATTACHED SHEET	
28. PRODUCTION	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	
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	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. Type of Completion: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DDP RESVR ☐ OTHER _____

2. Name of Operator
YATES PETROLEUM CORPORATION (505) 748-1471

3. Address of Operator
105 South 4th St., Artesia, NM 88210

4. Well Location
Unit Letter G: 2300 Feet From The North Line and 2300 Feet From The East Line

Section 2 Township 16S Range 35E NMPM Lea County

10. Date Spudded
RH 9-26-99
RT 9-27-99

11. Date T.D. Reached
11-16-99

12. Date Compl. (Ready to Prod.)
12-14-99

13. Elevations (DF & RKB, RT, GR, etc.)
3991' GR

14. Elev. Casinghead

15. Total Depth
12940'

16. Plug Back T.D.
12644'

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By
Rotary Tools
40-12940'

19. Producing Interval(s), of this completion - Top, Bottom, Name
12542-12590' Morrow

20. Was Directional Survey Made
No

21. Type Electric and Other Logs Run
CNL/LDC, BHC & Laterolog

22. Was Well Cored
No

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"		40'	20"	Cement to surface	
11-3/4"	42#	425'	14-3/4"	350 sx - circulate	
8-5/8"	32#	4642'	11"	1600 sx - circulate	
5-1/2"	17#	12942'	7-7/8"	2125 sx	

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	12487'	12496'

26. Perforation record (interval, size, and number)
12706-12736' w/60 .42" holes
12542-12590' w/112 .42" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL
AMOUNT AND KIND MATERIAL USED
SEE ATTACHED SHEET

PRODUCTION

28. Date First Production
12-15-99

Production Method (Flowing, gas lift, pumping - Size and type pump)
Flowing

Well Status (Prod. or Shut-in)
Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
12-30-99	24	14/64"		113	2019	0	

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
2700#	Packer		113	2019	0	N/A

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
Sold

Test Witnessed By
Rocky Harper

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 Rusty Klein Printed Name Rusty Klein Title Operations Tech. Date 1-31-2000

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. Canyon _____
T. Salt _____ 2081'	T. Strawn _____ 11472'
B. Salt _____	T. Atoka _____ 11752'
T. Yates _____ 3017'	T. Miss Lime _____ 12845'
T. 7 Rivers _____	T. Devonian _____
T. Queen _____	T. Silurian _____
T. Grayburg _____	T. Montoya _____
T. San Andres _____ 4542'	T. Simpson _____
T. Glorieta _____ 6240'	T. McKee _____
T. Paddock _____	T. Ellenburger _____
T. Blinbry _____	T. Gr. Wash _____
T. Tubb _____	T. Delaware Sand _____
T. Drinkard _____	T. Bone Springs _____
T. Abo _____ 8026'	T. Rustler _____ 1825'
T. Wolfcamp _____ 9672'	T. Morrow Lime _____ 12310'
T. Penn _____	T. Austin _____ 12455'
T. Cisco (Bough C) _____ 11963'	T. Chester _____ 12703'

Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Otzte _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
T. Chinle _____	T. _____
T. Permian _____	T. _____
T. Penn "A" _____	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	1780	1780	Redbed	12066	12485	419	Sand & shale
1780	3510	1730	Anhydrite & salt	12485	12550	65	Sand, lime & shale
3510	4353	843	Anhydrite	12550	12867	317	Shale
4353	4428	75	Anhydrite & dolomite	12867	12940	73	Lime & shale
4428	7268	2840	Dolomite				
7268	7614	346	Dolomite & shale				
7614	8236	622	Dolomite				
8236	9155	919	Dolomite & anhydrite				
9155	9680	525	Dolomite				
9680	11479	1799	Lime & shale				
11479	11714	235	Lime				
11714	11773	59	Sand				
11773	11907	134	Lime & shale				
11907	12066	159	Shale				

YATES PETROLEUM CORPORATION
Gallagher ATJ State Com #1
Section 2-T16S-R35E
Lea County, New Mexico

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

<u>DEPTH</u>	<u>INTERVAL</u>
12706-12736'	Acidized with 3000 gallons 15% iron control HCL acid and ball sealers
12542-12590'	Acidized with 1000 gallons 7-1/2% Morrow acid Frac'd with 42000 gallons 40# binary frac and 50000# 20-40 interprop (via 2-7/8" tubing) - pressured out. Total sand in formation - 27500#

RESULTS OF DRILL STEM TEST:

DST #1 12330-12444' (Morrow): TIMES: TO 15"; SI 77"; TO 14"; SI 180".
RECOVERY: 858' of condensate. SAMPLER: 8.20 cfg and 300 cc oil. PRESSURES:
IHP 6496; IFP 2128-2499; ISIP 4044; FFP 2808-2749; FSIP 4049; FHP 6494

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

February 8, 2000

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Dear Sir/Madam:

Pursuant to the rules established by the State of New Mexico under 19 NMAC 15.A.34 pertaining to "New Well Tax Incentive", Yates Petroleum Corporation does hereby submit an original plus two copies of Form C-142 "Application for New Well Status" for the following well. These forms are being submitted for your approval and designation of this well as a "New Well" for purposes of the New Well Tax Incentive.

1. Gallagher ATJ State Com. #1, API Number: 30-025-34688

Should you have any questions or require additional information, please feel free to give me a call at (505) 748-4344.

Sincerely,

Dennis P. Maupin
Tax Department Assistant Manager

enclosures