

1622

Form C-142

Date 06/99

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) 334-5728

1000 Rio Brazos Road

Aztec, NM 87410

District IV - (505) 827-7131

New Mexico

Energy Minerals and Natural Resources Department

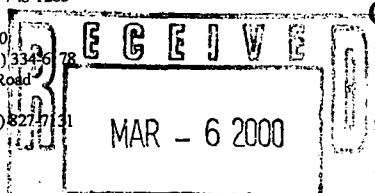
Oil Conservation Division

2040 South Pacheco Street

Santa Fe, New Mexico 87505

(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



OIL CONSERVATION DIVISION 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 Sparrow SP State						Well Number 7	API Number 30-005-63206	
UL 0	Section 32	Township 6S	Range 25E	Feet From The 660	North/South Line South	Feet From The 1980	East/West Line East	County Chaves

II. Date/Time Information

Spud Date 10-20-99	Spud Time 2:15 p.m.	Date Completed 01-05-00	Pool Pecos Slope Abo
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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)
County of Eddy) ss.

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 03/02/00

SUBSCRIBED AND SWORN TO before me this 2nd day of March, 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 Behley</u>	Title <u>P.E. Spec.</u>	Date <u>MAR 07 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 3/7/00

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

PV2V2010850198

YATES PETROLEUM CORPORATION

SPARROW SP STATE #7

API NUMBER 30-005-63206

OWNER NAME	INTEREST
Abo Petroleum	0.25000000
MYCO Industries, Inc.	0.25000000
Yates Drilling Company	0.25000000
Yates Petroleum Corporation	0.25000000
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.	30-005-63206
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-4334
7. Lease Name or Unit Agreement Name	
Sparrow SP State	
8. Well No.	7
9. Pool name or Wildcat	Pecos Slope Abo
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	
3899' GR	

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 0 : 660 Feet From The South Line and 1980 Feet From The East Line Section 32 Township 6S Range 25E NMMPM Chaves County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3899' 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 & conductor <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 22" hole with rat hole machine at 2:15 PM 10-20-99. Drilled to 40'. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified E. L. Gonzales with OCD-Artesia of spud.

TD 40'. Waiting on rotary tools.

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 Nov. 8, 1999
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

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.	30-005-63206
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-4334
7. Lease Name or Unit Agreement Name	
Sparrow SP State	
8. Well No.	7
9. Pool name or Wildcat	Pecos Slope Abo
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	
3899' GR	

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 <u>0</u> : <u>660</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>6S</u> Range <u>25E</u> NMPM Chaves County

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: Surface casing & cement <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.

Resumed drilling a 14-3/4" hole with rotary tools at 11:45 PM 11-1-99.

TD 775'. Reached TD at 6:10 PM 11-3-99. Ran 11 joints of 11-3/4" 42# H-40 (484') of casing set at 469'. 1-Texas Pattern notched guide shoe set at 468'. Insert float set at 425'. Cemented with 150 sacks Halliburton Lite with 3% CaCl₂ and 1/4#/sack flocele (yield 2.02, weight 12.4). Tailed in with 200 sacks Premium Plus with 2% CaCl₂ (yield 1.34, weight 14.8). PD 4:30 AM 11-4-99. Bumped plug and float held okay. WOC. Circulated 144 sacks. WOC. Cut off and welded on flow nipple. Drilled out at 1:30 AM 11-5-99. WOC 21 hours. Reduced hole to 11". Resumed drilling. NOTE: Drilled hole to 775'. Stuck casing at 469'. Okayed cementing of 11-3/4" casing at 469' with OCD-Artesia.

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 Nov. 8, 1999
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)

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.	30-005-63206
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-4334
7. Lease Name or Unit Agreement Name	
Sparrow SP State	
8. Well No.	7
9. Pool name or Wildcat	
Pecos Slope Abo	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Lease Name or Unit Agreement Name	
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIPP RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>		Sparrow SP State	
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471		8. Well No.	
3. Address of Operator 105 South 4th St., Artesia, NM 88210		9. Pool name or Wildcat	
4. Well Location Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line		Pecos Slope Abo	
Section 32 Township 6S Range 25E NMPM Chaves County			
10. Date Spudded BH 10-20-99 RT 11-1-99	11. Date T.D. Reached 11-12-99	12. Date Compl. (Ready to Prod.) 1-5-2000	13. Elevations (DF & RKB, RT, GR, etc.) 3899' GR
14. Elev. Casinghead			
15. Total Depth 4165'	16. Plug Back T.D. 4058'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 40-4165'
19. Producing Interval(s), of this completion - Top, Bottom, Name 3617-3963' Abo			20. Was Directional Survey Made No
21. Type Electric and Other Logs Run Dual Spaced Neutron & DLL			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"		40'	22"	Cement to surface	
11-3/4"	42#	469'	14-3/4"	350 sx - circulate	
8-5/8"	24#	1560'	11"	660 sx - circulate	
4-1/2"	10.5#	4103'	7-7/8"	315 sx	

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					1-1/4"	3607'	

26. Perforation record (interval, size, and number) 3617-3963' w/25 .38" holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	3617-3963'	Frac'd w/140000 gals 65Q N2 foam & 244400# 16-30 Brady sand

PRODUCTION

28. Date First Production 1-6-2000		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 2-15-2000	Hours Tested 24	Choke Size 18/64"	Prod'n For Test Period	Oil - Bbl.	Gas - MCF 251	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press. 160#	Gasing Pressure 235#	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 251	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Phil Morgan
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30. List Attachments 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 3-2-2000

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

Southwestern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres 449'	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta 1325'	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb 2913'	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo 3576'	T. Yeso 1494'	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	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
0	469	469	Surface
469	1565	996	Redbed & anhydrite
1565	4165	2600	Sand & shale

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

March 3, 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. Sparrow SP State #7, API Number: 30-005-63206

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