

OIL CONSERVATION DIV.
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
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**AMENDED APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION FOR AN ORDER REQUIRING YATES PETROLEUM
CORPORATION TO BRING NINETY (90) WELLS INTO COMPLIANCE WITH
RULE 201.B, AND ASSESSING APPROPRIATE CIVIL PENALTIES; LEA,
ROOSEVELT, CHAVES AND EDDY COUNTIES, NEW MEXICO**

CASE NO. 12955

APPLICATION FOR COMPLIANCE ORDERS AND CIVIL PENALTIES

1. Yates Petroleum Corporation ("Operator") is the operator of ninety (90) wells (the "subject wells") in Lea, Roosevelt, Chaves and Eddy Counties, New Mexico, specifically identified by name, location and API number on Exhibit A, which exhibit is attached hereto and by this reference incorporated into and made part of this application.

2. Each of the subject wells was continuously inactive for a period in excess of one (1) year immediately preceding May 11, 2000, and has remained inactive continuously from such date to the date of filing of this Application. The date of last reported production from each of the subject wells is set forth on Exhibit A. None of the subject wells is currently approved for temporary abandonment by the Division.

3. In the alternative, if there has been any production from, or injection into, any of the subject wells since the date of last production or injection indicated with respect to such well on Exhibit A, such production or injection has not been reported to the Division as required by Rule 1115.

4. On May 11, 2000, the New Mexico Oil Conservation Division (hereinafter "the Division") notified Operator that certain of the subject wells were not in compliance with Division Rule 201.B(3), and should be brought into compliance either by returning the same to production or other beneficial use or by securing Division approval for temporary abandonment. Operator indicated an intention to bring said wells into compliance. However, to this date, Operator has failed to take appropriate action to bring Operator's subject wells into compliance.

5. Division Rule 201.B(3) provides:

A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules ninety (90) days after:

(3) A period of one (1) year in which a well has been continuously inactive.

6. NMSA Section 70-2-31.A provides that:

Any person who knowingly and willfully violates any provision of the Oil and Gas Act or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation. For purposes of this subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation.

7. Operator's failure to take action to restore the subject wells to production or beneficial use, or to cause such wells to be plugged and abandoned, or to apply to the Division for approval for temporary abandonment, or, if such wells are in fact producing, to report such production to the Division as required, after receipt of notice of noncompliance from the Division as herein before described, constitutes a continuing

violation of Division Rule 201.B(3) or of Rule 1115, rules duly adopted by the Division pursuant to the Oil and Gas Act.

WHEREFORE, the Supervisors of Districts I and II of the Division hereby applies to the Director to enter an order:

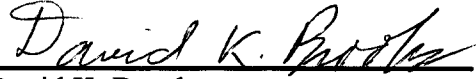
A. Specifically ordering Operator to bring the subject wells and the additional wells into compliance with OCD rules within a specified time fixed in said order by taking one of the following actions with respect to each of said wells:

- (i) causing such well to be plugged and abandoned in accordance with Division rules,
- (ii) restoring such well to production or other Division-approved beneficial use,
- (iii) applying to the Division for permission to place such well in "temporary abandonment" status pursuant to Division Rule 203, or
- (iv) truly and accurately reporting to the Division any production from or injection into any of said wells which has, in fact, occurred and not been reported to the Division.

B. Assessing an appropriate civil penalty against Operator for failure to take action to remedy the non-compliance of the subject wells after notice and demand from the Division Director to do so; such penalty to be not less than \$1,000 for each of such Operator's

subject wells not in compliance on the date of the hearing of this application.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, reading "David K. Brooks", is written over a horizontal line.

David K. Brooks

Assistant General Counsel

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

1220 S. St. Francis Drive

Santa Fe, NM 87505

(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division

			Last Production/						OCD Unit	
API #	District	Type	Injection	Well Name and Number	OGRID	Operator	ULSTR	Letter	FNS	FEW
30-005-20793	HOBBS	O	06-1996	WESTERN RESERVES 34 FEDEI	25575	YATES	E-34-07S-31E	E	1650N	990W
30-005-60865	ARTESIA	G	NONE	MELENA FEDERAL #001	25575	YATES	C-15-09S-24E	C	660N	1980W
30-005-60890	ARTESIA	G	07-1994	BELL ESTATE #001	25575	YATES	J-17-05S-24E	J	1980S	1980E
30-005-60942	ARTESIA	G	08-1995	JESS FEDERAL #003	25575	YATES	11-01-06S-24E	O	660S	1980E
30-005-60951	ARTESIA	G	NONE	LAKE TANK #001Y	25575	YATES	I-18-06S-24E	I	1980S	710E
30-005-61274	ARTESIA	G	NONE	BERRENDO #001	25575	YATES	I-05-10S-24E	I	1980S	990E
30-005-61327	ARTESIA	G	01-1986	RIC #005	25575	YATES	M-20-06S-25E	M	660S	660W
30-005-61328	ARTESIA	G	02-1996	BRONSON SH COM #001	25575	YATES	H-09-06S-24E	H	1980N	660E
30-005-61369	ARTESIA	G	NONE	EDDLEMAN FEDERAL #002	25575	YATES	G-09-07S-22E	G	1980N	1980E
30-005-61395	ARTESIA	G	04-1998	ACME COM #012	25575	YATES	O-20-08S-26E	O	660S	1980E
30-005-61552	ARTESIA	G	05-1997	SHADDEN #001	25575	YATES	M-10-06S-26E	M	990S	990W
30-005-61752	ARTESIA	O	NONE	FAIRCLOTH VD STATE #001	25575	YATES	F-07-08S-27E		2310N	1650W
30-005-61763	ARTESIA	G	NONE	CHAVES UY STATE #001	25575	YATES	A-32-08S-25E	A	990N	660E
30-005-61818	ARTESIA	G	NONE	ROADRUNNER VY STATE #001	25575	YATES	O-06-08S-27E		660S	1980E
30-005-61862	ARTESIA	G	NONE	FOX WG STATE #001	25575	YATES	D-17-08S-27E		660N	660W
30-005-61896	ARTESIA	G	NONE	BERRENDO WP STATE #001	25575	YATES	A-36-10S-24E		660N	660E
30-005-62008	ARTESIA	G	NONE	CAROL VI FEDERAL COM #001	25575	YATES	P-24-07S-22E		660S	990E
30-005-62091	ARTESIA	G	NONE	GRYNBERG STATE COM #001	25575	YATES	L-20-09S-27E		1980S	660W
30-005-62696	ARTESIA	G	NONE	WEST OF EDEN UNIT #001	25575	YATES	N-14-07S-23E		660S	1980W
30-005-62773	ARTESIA	G	11-1995	WOLF AHF STATE #001	25575	YATES	A-13-09S-27E	A	660N	660E
30-005-62875	ARTESIA	G	NONE	SALT CREEK ACL FEDERAL #00	25575	YATES	H-11-08S-21E	H	1980N	660E
30-005-62911	ARTESIA	G	06-1996	HANLAD AKZ STATE #002	25575	YATES	M-13-08S-27E	M	330S	1225W
30-005-62946	ARTESIA	G	05-1995	BLACKWATER ACX FEDERAL #	25575	YATES	I-07-09S-22E	I	1980S	660E
30-005-62978	ARTESIA	I	NONE	TRAILBLAZER ANL STATE #002	25575	YATES	H-11-08S-27E		2310N	330E
30-005-63028	ARTESIA	G	03-1997	BLACKWATER ADF FEDERAL #	25575	YATES	L-04-09S-22E	L	1980S	660W
30-005-63125	ARTESIA	O	06-1997	ZIGGY ARC STATE #001	25575	YATES	B-12-11S-27E	B	990N	2310E
30-015-01898	ARTESIA	O	04-1974	POWELL STATE #001	25575	YATES	M-17-18S-28E	M	330S	330W
30-015-03232	ARTESIA	O	08-1977	W L H G4S UNIT #001	25575	YATES	K-01-18S-29E	K	2310S	2310W
30-015-03236	ARTESIA	O	10-1985	BALLARD A #004	25575	YATES	J-01-18S-29E	J	1650S	1650E
30-015-03241	ARTESIA	O	09-1985	BALLARD B #002	25575	YATES	G-01-18S-29E	G	2310N	2310E
30-015-03244	ARTESIA	O	02-1982	BALLARD A #005	25575	YATES	I-01-18S-29E	I	1980S	990E
30-015-03250	ARTESIA	O	02-1984	W L H G4S UNIT #001	25575	YATES	N-02-18S-29E	N	330S	2310E
30-015-03251	ARTESIA	O	08-1989	W L H G4S UNIT #005	25575	YATES	D-02-18S-29E	D	990N	990W
30-015-03253	ARTESIA	O	02-1984	W L H G4S UNIT #004	25575	YATES	E-02-18S-29E	E	2310N	990W
30-015-03261	ARTESIA	O	02-1984	W L H G4S UNIT #002	25575	YATES	F-02-18S-29E	F	2310N	2310W

30-015-03264 ARTESIA	O	02-1984	W L H G4S UNIT #002	25575 YATES H-02-18S-29E	H	2310N	330E
30-015-03266 ARTESIA	O	02-1984	W L H G4S UNIT #004	25575 YATES B-02-18S-29E	B	1220N	1420E
30-015-03363 ARTESIA	O	03-1986	W L H G4S UNIT #003	25575 YATES K-10-18S-29E	K	2310S	1650W
30-015-03383 ARTESIA	O	02-1983	W L H G4S UNIT #001	25575 YATES B-11-18S-29E	B	330N	2310E
30-015-03386 ARTESIA	O	02-1984	W L H G4S UNIT #007	25575 YATES I-11-18S-29E	I	2310S	1270E
30-015-03801 ARTESIA	O	03-1986	W L H G4S UNIT #001	25575 YATES N-36-17S-29E	N	330S	2310W
30-015-04422 ARTESIA	O	06-1984	SCHEURICH B #006	25575 YATES F-32-17S-30E	F	2310N	2310W
30-015-04434 ARTESIA	O	12-1992	SCHEURICH A #005	25575 YATES E-32-17S-30E	E	2310N	1260W
30-015-04470 ARTESIA	O	12-1992	YATES #001	25575 YATES 6-06-18S-30E	L	1980S	660W
30-015-04475 ARTESIA	O	12-1992	YATES #006	25575 YATES 5-06-18S-30E	E	999S	999E
30-015-04476 ARTESIA	O	12-1992	YATES A #001	25575 YATES 4-06-18S-30E	D	330N	330W
30-015-04478 ARTESIA	O	12-1992	YATES A #003	25575 YATES 2-06-18S-30E	B	330N	2310E
30-015-04480 ARTESIA	O	02-1984	YATES A #005	25575 YATES 7-06-18S-30E	M	990S	330W
30-015-04481 ARTESIA	O	11-1976	YATES A #006	25575 YATES G-06-18S-30E	G	1650N	2310E
30-015-04483 ARTESIA	O	03-1983	YATES A #008	25575 YATES 3-06-18S-30E	C	990N	2231W
30-015-10072 ARTESIA	O	03-1984	YATES A #015	25575 YATES 7-06-18S-30E	M	330S	330W
30-015-10090 ARTESIA	O	12-1992	W L H G4S UNIT #002	25575 YATES K-01-18S-29E	K	1650S	1980W
30-015-10348 ARTESIA	O	12-1992	W L H G4S UNIT #002	25575 YATES M-01-18S-29E	M	660S	330W
30-015-10414 ARTESIA	G	09-1997	ARCHIMEDES ARE STATE COM	25575 YATES J-18-21S-24E	J	1650S	1980E
30-015-10727 ARTESIA	O	03-1986	W L H G4S UNIT #003	25575 YATES M-02-18S-29E	M	990S	1270W
30-015-10869 ARTESIA	O	03-1986	W L H G4S UNIT #010	25575 YATES L-12-18S-29E	L	1800S	990W
30-015-10886 ARTESIA	O	06-1979	GERARD AW #002	25575 YATES J-25-18S-25E	J	2310S	1650E
30-015-20033 ARTESIA	O	02-1984	W L H G4S UNIT #003	25575 YATES A-11-18S-29E	A	1190N	150E
30-015-20278 ARTESIA	O	08-1997	ALLISON CQ FEDERAL #001	25575 YATES P-22-19S-24E	P	660S	660E
30-015-20395 ARTESIA	O	07-1997	WHITE BU #001	25575 YATES F-14-17S-25E	F	2310N	2310W
30-015-20419 ARTESIA	S	NONE	GISSLER AV #006	25575 YATES G-23-17S-25E	G	2310N	1650E
30-015-20436 ARTESIA	O	08-1981	EAGLE CREEK BL #002	25575 YATES N-23-17S-25E	N	330S	2310W
30-015-20457 ARTESIA	O	01-1998	CONOCO AGK FEDERAL #002	25575 YATES G-26-20S-24E	G	1980N	1980E
30-015-20676 ARTESIA	O	03-1986	W L H G4S UNIT #003	25575 YATES N-02-18S-29E	N	990S	2245W
30-015-20892 ARTESIA	G	10-1993	STONEWALL DD COM #001	25575 YATES N-20-20S-28E	N	660S	1980W
30-015-21625 ARTESIA	G	09-1995	FEDERAL BZ COM #012	25575 YATES K-21-17S-25E	K	1980S	1980W
30-015-21704 ARTESIA	G	02-1993	CAFFALL FD COM #001	25575 YATES O-15-17S-26E	O	660S	1980E
30-015-22746 ARTESIA	G	02-1997	IRISH HILLS JE STATE COM #00	25575 YATES G-12-19S-24E	G	1980N	1980E
30-015-23257 ARTESIA	O	05-1991	IRISH HILLS YESO JE STATE #01	25575 YATES H-12-19S-24E	H	2310N	330E
30-015-23371 ARTESIA	O	11-1996	BENSON DEEP AAS FEDERAL #	25575 YATES E-34-18S-30E	E	2030N	660W
30-015-23379 ARTESIA	G	03-1993	FEDERAL 33 #001	25575 YATES I-33-20S-26E	I	1980S	690E
30-015-23409 ARTESIA	G	07-1993	NORTH MILLMAN UNIT #002	25575 YATES G-08-19S-28E	G	1980N	1980E

30-015-23660 ARTESIA	G	03-1993	STATE 32 COM #001	25575 YATES G-32-20S-26E	G	2080N	1980E
30-015-23770 ARTESIA	G	10-1995	FEDERAL BQ COM #007	25575 YATES D-27-17S-25E	D	660N	990W
30-015-23793 ARTESIA	G	03-1992	SHARP QS COM #001	25575 YATES P-04-17S-26E	P	660S	660E
30-015-23890 ARTESIA	O	11-1997	SARA AHA COM #001	25575 YATES I-11-20S-24E	I	1980S	660E
30-015-24613 ARTESIA	O	10-1995	FEDERAL CD #004	25575 YATES K-29-17S-25E	K	1650S	2310W
30-015-24722 ARTESIA	G	11-1998	SLINKARD UR FEDERAL #002	25575 YATES F-11-20S-29E	F	1980N	1980W
30-015-24726 ARTESIA	O	03-1996	FEDERAL CD #008	25575 YATES P-29-17S-25E	P	990S	330E
30-015-26623 ARTESIA	O	04-1993	DEE 36 SE STATE #003	25575 YATES J-36-19S-24E	J	1650S	1980E
30-015-27027 ARTESIA	O	12-1998	JOHN AGU #006	25575 YATES B-14-20S-24E	B	710N	1980E
30-015-27028 ARTESIA	G	12-1998	VANDIVER AIM #001	25575 YATES E-17-18S-26E	E	2162N	660W
30-015-28194 ARTESIA	G	NONE	STONEWALL AOS STATE COM #	25575 YATES P-20-20S-28E	P	660S	660E
30-025-28628 HOBBS	O	11-1988	SWAN VB STATE #003	25575 YATES L-21-14S-33E	L	1980S	660W
30-025-28994 HOBBS	O	12-1992	SHIPP ZI #002	25575 YATES D-27-16S-37E	D	660N	1100W
30-025-31073 HOBBS	O	08-1996	HOURLASS AEG STATE #001	25575 YATES A-16-18S-35E	A	660N	660E
30-041-20474 HOBBS	O	10-1992	L HARRIS FEDERAL #002	25575 YATES G-22-07S-35E	G	1980N	1980E
30-041-20688 HOBBS	O	12-1991	WILCOX TS #002	25575 YATES G-19-07S-32E	G	1980N	2310E