

KEY RULES

INDIAN BASIN UPPER PENN ASSOCIATED POOL - TEMPORARY AND SIMILAR UPPER PENN POOLS - CURRENT

Item	Indian Basin Upper Pennsylvanian - Associated	South Dagger Draw Upper Pennsylvanian - Associated	North Dagger Draw Upper Pennsylvanian
NMOCD Order	R-5353 R-9922	R-5353 R-10050	R-4691 R-5565
Spacing Unit	320 acres	320 acres	160 acres
Well Locations	660' From Outer Boundary 330' From Qtr. - Qtr.	660' From Outer Boundary 330' From Qtr. - Qtr.	660' From Outer Boundary 330' From Qtr. - Qtr.
Field Development	1 Well/160 acres	Multiple Wells	Multiple Wells
Simultaneous Dedication	No Simultaneous Dedication Only Oil or Gas	Simultaneous Dedication Oil and/or Gas	Simultaneous Dedication Oil and/or Gas
Top Oil Allowable	940 BOPD	1,400 BOPD	700 BOPD (1,400 BOPD/320 ac)
Limiting GOR	2,000:1	7,000:1	10,000:1
Gas Allowed Per Spacing (From GOR)	1,880 MCFD (56.4 MMCF/Mo.)	9,800 MCFD (294 MMCF/Mo.)	7,000 MCFD (14,000 MCFD Per 320 ac) (420 MMCF/Mo. Per 320 ac)

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Case Nos. 10748 (Reopened)
11484 Exhibit No. 7

Submitted by: Yates Petroleum Corporation

Hearing Date: March 21, 1996

INDIAN BASIN UPPER PENNSYLVANIAN ASSOCIATED WELLS

Operator	Well	Location			Completion Date	Test Rate				Oil Gravity (API)	Perforated Interval	Cumulative Production			GOR CUM PROD (MCF/BO)
		U	S	T R		Oil (BOPD)	Gas (MCF/D)	Water (BWPD)	Time (hours)			(BO)	(MCF)	(BW)	
Nearburg Producing Company	Big Walt 2 State #1	C	2	22 24	09-02-93	2	950	0	24	47.5	7902-7914	1,658	514,928	185,127	310.57
	Big Walt 2 State #2	J	2	22 24	04-11-94	0	1,400	2	24	----	7862-7900	1,328	375,941	97,876	283.09
	Big Walt 2 State #3	K	2	22 24	01-05-95	0	1,402	0	24	----	7794-7832	2,315	1,012,833	45	437.67
	Chama Fed. Com #1	B	11	22 24	11-19-93	52	30	342	24	----	8102-8106	28	0	5,611	----
Marathon Oil Company															
	Indian Hills Unit #8	N	33	21 24	09-26-95	624	610	3,144	24	39.8	8044-8128	----	----	----	----
Sante Fe Energy Resource, Inc.	Nagooitee Peak 5 Fed. #1	J	5	22 24	04-11-94	487	395	785	22	40.8	8306-8348	45,307	135,170	844,695	2.98
	Nagooitee Peak 5 Fed. #2	E	5	22 24	06-25-95	TA	TA	TA	TA	TA	8012-8134	----	----	----	----
	Old Ranch Canyon 7 Fed. #1	B	7	22 24	09-23-94	348	529	994	24	44.0	7922-8002	19,269	919,836	731,932	47.74
	Old Ranch Canyon 7 Fed. #2	F	7	22 24	Tstg.-NC	----	----	----	----	----	7660-7799	----	----	----	----
	Old Ranch Knoll 8 Fed. Com #1	D	8	22 24	Tstg.-NC	0	70	1,000	24	----	8014-8082	37	7,628	37,657	206.16
	Old Ranch Knoll 8 Fed. Com #2	N	8	22 24	12-07-93	401	211	690	24	40.8	8140-8160	19,807	28,318	472,067	1.43
	Right Hand Canyon Fed. #1	E	34	21 24	12-01-93	91	667	397	14	43.1	7684-7704	8,262	93,904	453,251	11.37
	Jones Canyon 4 Fed. #1	N	4	22 24	07-06-95	374	1,027	2,270	24	42.0	8030-8237	51,329	391,423	382,279	7.63
Yates Petroleum Corp.															
	Anemone ANE Fed. #1	K	9	22 24	04-07-95	135	135	490	24	41.0	7855-8006	52,749	161,101	635,416	3.05
	Anemone ANE Fed. #2	D	9	22 24	10-20-94	305	331	1,427	24	41.0	8127-8216				
					6-95						7980-8216	35,793	628,220	727,398	17.55
	Anemone ANE Fed. #3	B	9	22 24	11-10-94	411	684	2,245	24	41.0	8106-8156				
					3-95						8052-8156	65,777	251,378	1,084,757	3.82
	Atom ANT Fed. Com #1	D	10	22 24	02-23-96	456	729	369	24	41.8	7978-8002	----	----	----	----
	Brannigan ANF Fed. #2	J	6	22 24	12-11-94	160	301	1,467	24	41.0	8017-8050	29,900	731,875	940,645	24.48
	Hickory ALV Fed. #1	F	17	22 24	05-30-93	204	256	599	12	42.0	8139-8259	70,083	93,259	475,653	1.33
	Pan Am Pardue ALZ Fed. Com #1	N	27	21 24	06-11-93	232	400	1,533	24	41.0	7999-8071	23,908	57,809	189,989	2.42
	Walt Canyon AMA Fed. #1	O	3	22 24	06-23-93	110	65	2,370	24	44.0	7942-8008	2,909	2,430	78,625	0.84

**BEFORE THE
OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Case Nos. 10748 (Reopened)

11484 Exhibit No. 6

Submitted by: Yates Petroleum Corporation

Hearing Date: March 21, 1996

Proposed Changes To Temporary Order No. R 9922

Rule 2(b) :

Existing : No more than one well per quarter Section.

Proposed : No more than one well per 80 acres.

Rule 5(b) [from Order No. R-5353] :

Existing : The simultaneous dedication of any acreage to an oil well and to a gas well is prohibited.

Proposed : Delete Rule No. 5(b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico (Order No. R-5353), as it pertains to the Indian Basin Upper Pennsylvanian Associated Pool, thereby allowing the simultaneous dedication of acreage to both oil and gas wells.

Rule 6 [from Order No. R-5353] :

Existing : The limiting gas-oil ratio shall be 2,000 cubic feet of gas for each barrel of oil produced.

Proposed : The limiting gas-oil ratio shall be 10,000 cubic feet of gas for each barrel of oil produced.

Rule 22 :

Existing : The special depth bracket allowable for a 320 acre proration unit shall be 940 barrels of oil per day.

Proposed : The special depth bracket allowable for a 320 acre proration unit shall be 1,400 barrels of oil per day.

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case Nos. 10748 (Reopened)
11484 Exhibit No. 8

Submitted by: Yates Petroleum Corporation

Hearing Date: March 21, 1996

KEY RULES

INDIAN BASIN UPPER PENN ASSOCIATED POOL - PROPOSED AND SIMILAR UPPER PENN POOLS - CURRENT

Item	Indian Basin Upper Pennsylvanian - Associated	South Dagger Draw Upper Pennsylvanian - Associated	North Dagger Draw Upper Pennsylvanian
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Field Development	1 Well/80 acres	Multiple Wells	Multiple Wells
Simultaneous Dedication	Simultaneous Dedication Oil and/or Gas	Simultaneous Dedication Oil and/or Gas	Simultaneous Dedication Oil and/or Gas
Top Oil Allowable	1,400 BOPD	1,400 BOPD	700 BOPD (1,400 BOPD/320 ac)
Limiting GOR	10,000:1	7,000:1	10,000:1
Gas Allowed Per Spacing (From GOR)	14,000 MCFD (420 MMCF/Mo.)	9,800 MCFD (294 MMCF/Mo.)	7,000 MCFD (14,000 MCFD Per 320 ac) (420 MMCF/Mo. Per 320 ac)

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Case Nos. 10748 (Reopened)
11484 Exhibit No. 9

Submitted by: Yates Petroleum Corporation

Hearing Date: March 21, 1996

Proposed : No more than one well per 80 acres.

Rule 5(b) [from Order No. R-5353] :

Existing : The simultaneous dedication of any acreage to an oil well and to a gas well is prohibited.

Proposed : Delete Rule No. 5(b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico (Order No. R-5353), as it pertains to the Indian Basin Upper Pennsylvanian Associated Pool, thereby allowing the simultaneous dedication of acreage to both oil and gas wells.

Rule 6 [from Order No. R-5353] :

Existing : The limiting gas-oil ratio shall be 2,000 cubic feet of gas for each barrel of oil produced.

Proposed : The limiting gas-oil ratio shall be 10,000 cubic feet of gas for each barrel of oil produced.

Rule 22 :

Existing : The special depth bracket allowable for a 320 acre proration unit shall be 940 barrels of oil per day.

Proposed : The special depth bracket allowable for a 320 acre proration unit shall be 1,400 barrels of oil per day.

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case Nos. 10748 (Reopened)
11484 Exhibit No. 8

Submitted by: Yates Petroleum Corporation

Hearing Date: March 21, 1996

INDIAN BASIN UPPER PENN DST PRESSURES
ASSOCIATED POOL AREA

LOCATION	SEC	TWP	RNG	SPUD	COMP	ORIGINAL WELL NAME	ORIGINAL OPERATOR	CURRENT WELL NAME	CURRENT OPERATOR	DST #	INTERVAL (feet)	FORMATION	ISP (psi)	SI TIME (hrs)	FSP (psi)	SI TIME (hrs)
990S-2310E	3	22	24	1/25/64	4/21/64	Wall Canyon Unit #1	Curtis R. Inman	Wall Canyon AMA Fed #1	Yates Pet. Corp.	1	7812-7960	Wolfcamp-Cisco	3011	1	3011	1
										2	7800-8020	Wolfcamp-Cisco	3010	0.75	3032	3
										3	7794-7987	Wolfcamp-Cisco	3044	1	3066	2
743N-1055W	8	22	24	5/24/65	8/27/65	Azotea Mesa 8 Fed #1	John H. Trigg	Old Ranch Knoll 8 Fed #1	Santa Fe Energy Res. Inc.	1	7888-7977	NR	2932	0.5	2932	0.5
										4	7550-7700	MisRun	---	---	---	---
1650N-1335W	5	22	24	7/12/65	10/30/65	Azotea Mesa #2	John H. Trigg			1	7790-7884	NR	2956	0.5	2956	0.5
1650N-1650W	17	22	24	8/23/65	10/29/65	Hallowell IJA #1	Pan American Corp.	Hickory ALV Fed #1	Yates Pet. Corp.	1	8145-8165	Cisco-Canyon	3003	1	2943	1
1140S-1350W	27	21	24	12/28/65	1/27/66	Pardue Gas Unit - USA #1	Pan American Pet. Corp.	Pan Am Pardue ALZ Fed #1	Yates Pet. Corp.	1	7958-8038	Cisco-Canyon	2836	1	2878	1
										2	7908-7951	Cisco-Canyon	2256	1	2689	1.5
2130N-1980W	27	21	24	8/17/77	2/16/78	Pardue Farms #1	Anadarko Prod.			1	7636-7664	Strawn	2346	NR	2360	NR
										2	7690-7727	Strawn	2443	NR	2450	NR
2310S-960E	9	22	24	8/2/78	9/14/78	McClellan Fed Com #1	Flag Redfern Oil Co.			1	8084-8099	Cisco	2372	1	2372	2
660N-2130W	2	22	24	7/1/79	8/13/79	Little Walt #1	Morris R. Antweil	Big Walt 2 State #1	Nearburg Production Co.	1	7877-7894	Cisco Reef	2325	0.5	2328	4
										2	7894-7975	Cisco Reef	2316	1	2316	4
780N-1350E	11	22	24	8/29/84	12/27/84	Chama Fed Com #1	Florida Exploration	Chama Fed Com #1	Nearburg Production Co.	1	8110-8119	Cisco	NR	NR	NR	NR
1650S-1980E	2	22	24	2/27/94	4/13/94	Big Walt 2 State #2	Nearburg Production Co.	Big Walt 2 State #2	Nearburg Production Co.	1	7810-7920	Cisco-Canyon	1973	1	1964	3
1090N-840W	9	22	24	7/30/94	10/30/94	Anemone ANE Fed #2	Yates Pet. Corp.	Anemone ANE Fed #2	Yates Pet. Corp.	1	7970-8068	Canyon	1921	1	1860	1
										2	8100-8172	Canyon	1977	1	1977	1
										3	8168-8230	Canyon	1942	1	1942	1
										4	8230-8270	Canyon	2005	0.75	2005	2
810N-1930E	9	22	24	10/3/94	11/28/94	Anemone ANE Fed #3	Yates Pet. Corp.	Anemone ANE Fed #3	Yates Pet. Corp.	2	8048-8106	Canyon	1916	2	1810	2
										3	8104-8160	Canyon	1937	1	1938	2
										4	8204-8258	Canyon	1989	1	1994	2
2000S-1850E	6	22	24	10/30/94	12/19/94	Brannigan ANF Fed #2	Yates Pet. Corp.	Brannigan ANF Fed #2	Yates Pet. Corp.	1	7648-7728	Canyon	1693	1	NR	NR
										2	7746-7814	Canyon	1777	1	1777	2
										3	7824-7916	Canyon	1781	1	1779	2
										4	7911-7996	Canyon	1813	1	1811	2
										5	8000-8100	Canyon	NR	1	NR	2

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case Nos. 10748 (Reopened)
11484 Exhibit No. 10

Submitted by: Yates Petroleum Corporation