

1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BUILDING  
5 SANTA FE, NEW MEXICO

6 29 March 1989

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Yates Petroleum Corp- CASE  
10 oration for an unorthodox gas well 9627  
11 location, Chaves County, New Mexico.

12 BEFORE: David R. Catanach, Examiner

13 TRANSCRIPT OF HEARING

14 A P P E A R A N C E S

15 For the Division:

16 For Yates Petroleum  
17 Corporation:

18 Chad Dickerson  
19 Attorney at Law  
20 DICKERSON, FISK & VANDIVER  
21 Seventh & Mahone/Suite E  
22 Artesia, New Mexico 88210  
23  
24  
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## I N D E X

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## THERESA PADILLA

Direct Examination by Mr. Dickerson	3
Cross Examination by Mr. Catanach	8
Redirect Examination by Mr. Dickerson	9
Recross Examination by Mr. Catanach	9

## LESLIE BENTZ

Direct Examination by Mr. Dickerson	10
Cross Examination by Mr. Catanach	11

## E X H I B I T S

Yates Exhibit One, Plat	5
Yates Exhibit Two, Application, etc.	6
Yates Exhibit Three, Affidavit	8

1 MR. CATANACH: We'll call Case  
2 9627. Application of Yates Petroleum Corporation for an  
3 unorthodox gas well location, Chaves County, New Mexico.

4 Are there appearances in this  
5 case?

6 MR. DICKERSON: Mr. Examiner,  
7 I'm Chad Dickerson of Artesia, New Mexico, on behalf of  
8 Yates Petroleum Corporation and I have one witness.

9 MR. CATANACH: Any other ap-  
10 pearances in this case?

11 Will the witness please stand  
12 and be sworn in?

13  
14 (Witness sworn.)

15  
16 THERESA PADILLA,  
17 being called as a witness and being duly sworn upon her  
18 oath, testified as follows, to-wit:

19  
20 DIRECT EXAMINATION

21 BY MR. DICKERSON:

22 Q Ms. Padilla, will you state your full  
23 name, your occupation and where you reside, please?

24 A My name is Theresa Padilla. I'm an en-  
25 gineer with Yates Petroleum out of Artesia.

1           Q           You have not previously testified as a  
2 petroleum engineer before this Division.

3                       Will you briefly summarize your educa-  
4 tional and work experience for Mr. Catanach?

5           A           For the last eight or nine months I've  
6 been with Yates Petroleum as an engineer in the Reservoir  
7 Department.

8                       Prior to that I attended school for six  
9 years and received my degrees in petroleum engineering,  
10 Bachelor of Science, and also geological engineering with  
11 petroleum option, from New Mexico Tech in Socorro.

12                      Prior to that I had worked with some oil  
13 companies in Michigan because my first three years of edu-  
14 cation was at Northwestern Michigan College in Traver City,  
15 Michigan.

16           Q           Okay, and in connection with your em-  
17 ployment and related to Yates Case 9267, have you examined  
18 the available geologic and engineering data and made a  
19 study of the circumstances surrounding these applications?

20           A           Yes, I did.

21                               MR. DICKERSON:   Tender Ms.  
22 Padilla as a petroleum engineer, Mr. Catanach.

23                               MR. CATANACH:   She is so qual-  
24 ified.

25           Q           Ms. Padilla, will you refer to what we

1 have submitted as Yates Exhibit Number One and orient the  
2 Examiner with respect to the well location and summarize  
3 the purpose of Yates in this case?

4 A The well location is for the Yates  
5 Lightcap "YR" No. 1, which is located 330 feet from the  
6 north and east lines of Section 25, Township 7 South, Range  
7 29 East.

8 The purpose of this unorthodox gas loca-  
9 tion is that it is in an unorthodox location. It was ori-  
10 ginally drilled to the San Andres anticipating oil. As a  
11 result it was -- it had dedicated 40 acres for that inten-  
12 tion; however, after Yates had drilled the well, we found  
13 gas.

14 Q And that was a standard location for a  
15 40-acre San Andres oil well?

16 A That's correct.

17 Q All right. Looking at your land plat  
18 submitted as Exhibit Number One, there are three other  
19 well symbols, it appears, in that northeast quarter of Sec-  
20 tion 25.

21 A Yes.

22 Q Briefly tell us the history of those  
23 wells and what their current status is.

24 A Okay. The Magnolia Lightcap, which is  
25 located in the northwest quarter of the northeast quarter

1 is an abandoned well and also the Franklin Lightcap is an  
2 abandoned well, which is just south of there.

3 Yates also drilled the Lightcap "YR"  
4 No. 3, which is located just southeast.

5 Q Just outside the circle surrounding this  
6 subject well application?

7 A That is correct, and the well was -- is  
8 producing out of the Abo formation at the present time.

9 Q Okay, and from examination of the land  
10 map, it is entirely offset by Yates Petroleum Corporation  
11 acreage with the exception of Stevens Oil Company to the  
12 east of the location and unleased Federal acreage in the  
13 south half of Section 19, is it not?

14 A That's correct.

15 Q All right. Refer to the instruments  
16 which we have attached together and submitted as Exhibit  
17 Number Two, and summarize what each of those shows for the  
18 Examiner.

19 A The first page of Exhibit Two would be  
20 the application to drill the Lightcap "YR" No. 1 and, as  
21 you will note, we anticipated oil in the upper lefthand  
22 section of this page.

23 Q That well was evidently drilled in late  
24 1983, was it not?

25 A That is correct. It was completed in

1 1984.

2 The second page of Exhibit Two is our  
3 well location and acreage dedication plat, receiving  
4 40-acre dedication for this well, and that would be the  
5 northeast quarter of the northeast quarter of Section 25.

6 Q And what does that completion report  
7 reflect as far as the initial potential test for this sub-  
8 ject well?

9 A The initial potential is 330 MCF a day.

10 Q Do you know the current status of the  
11 well?

12 A The well is still producing.

13 Q The alternative to granting an unortho-  
14 dox location for this already drilled well, Ms. Padilla,  
15 would be to plug and abandon the existing well and drill a  
16 new well at a standard location. In your opinion as an  
17 engineer would that be economically wasteful, given a well  
18 of this capacity to produce, to abandon the already drilled  
19 well and replace it with one at a standard location?

20 A Yes, it would.

21 Q In your opinion will the granting of  
22 this application prevent that economic waste caused by the  
23 drilling of unnecessary wells?

24 A Yes, it will.

25 MR. DICKERSON: Mr. Examiner,

1 Exhibit Number Three is merely the affidavit of mailing in  
2 accordance with your Rule 1207 to the offsetting operators,  
3 most of whom are in-house Yates parties and all the others.  
4 Stevens Oil Company and the Bureau of Land Management.

5 And I have no further ques-  
6 tions of Ms. Padilla in this case.

7  
8 CROSS EXAMINATION

9 BY MR. CATANACH:

10 Q Ms. Padilla, this well was drilled in  
11 1984. Has it been producing since then?

12 A No, it has not. I believe it was con-  
13 nected in December of '88 or January of '88, this year, so  
14 I might have two months production.

15 Q January of '89.

16 A '89, I'm sorry.

17 Q Do you know if the Division has in fact  
18 created a pool for this well in this case, a gas pool in  
19 the San Andres?

20 A To the best of my knowledge it's just  
21 strictly a wildcat yet. I don't believe -- I have not seen  
22 any (unclear) designating a pool.

23 MR. DICKERSON: Mr. Catanach,  
24 I neglected to ask her one question that I needed to.

25

## 1 REDIRECT EXAMINATION

2 BY MR. DICKERSON:

3 Q The well that you indicated the -- shown  
4 on the map that is just slightly outside the circle sur-  
5 rounding the subject well, that well is currently producing  
6 from the Abo formation, is it not?

7 A That is correct.

8 Q And so the same subdivision, being the  
9 northeast quarter, is dedicated to that existing well --

10 A Yes, it is.

11 Q -- but for gas production from the Abo  
12 formation.

13 A Yes.

14 Q And the application in this case is  
15 limited to gas production from the San Andres formation.

16 A That is correct.

17 Q Even though the ownership and the title  
18 to both formations is the same?

19 A Yes, uh-huh.

20  
21 RECROSS EXAMINATION

22 BY MR. CATANACH:

23 Q Ms. Padilla, are there any other San  
24 Andres wells in this area, that you know of?

25 A I believe there are some San Andres

1 Wells in this area; however, they have produced oil, and  
2 this is why we -- we were surprised when we found gas.

3 Q But you know where -- where these wells  
4 are in relation to your well?

5 A Not offhand I don't, no.

6 MR. DICKERSON: Mr. Examiner,  
7 it's my understanding that the closest San Andres produc-  
8 tion is off this map but back to the east. I do have the  
9 geologist present who actually oversaw the drilling of this  
10 well and she can answer your question, if you'd like. I've  
11 not anticipated formally calling her, but she does know  
12 that information.

13 MR. CATANACH: Do you know how  
14 far east this might be?

15 I guess we'd better swear you  
16 in.

17

18 (Ms. Bentz sworn.)

19

20 LESLIE BENTZ,

21 being called as a witness and being duly sworn upon her  
22 oath, testified as follows, to-wit:

23

24 DIRECT EXAMINATION

25 BY MR. DICKERSON:



1 MR. CATANACH: Ms. Bentz, is  
2 that a -- do you know if that is in the San Andres Oil  
3 Pool?

4 A Yes, it is.

5 Q Do you know the name of that pool?

6 A I believe it is the Cado.

7 Q The Cado San Andres?

8 A Uh-huh.

9 Q Ms. Bentz, have you -- do you have an  
10 opinion as to whether this is a new source of supply,  
11 whether it is or is not connected to --

12 A I do not think it is connected.

13 Q Do you know of any dry holes in between  
14 the two?

15 A There are numerous dry holes --

16 Q There are?

17 A -- between the two. There's all of  
18 those numerous San Andres dry holes around this well.

19 If it's possible to confirm that that is  
20 the Cado, after this is over I will call and check, and if  
21 that's not the correct name I can --

22 Q I can verify that, Ms. Bentz. We have  
23 the nomenclature in the --

24 A Okay, I just don't have any maps of that  
25 particular -- the whole area --

1 Q That would be fine. All right.

2 MR. CATANACH: Mr. Dickerson,  
3 I take it that you've not been in communication with our  
4 District Office as far as --

5 MR. DICKERSON: No, I have  
6 not. Yates has been in communication with it.

7 MR. CATANACH: Do you know if  
8 the District Office anticipates creating the new pool?

9 MR. DICKERSON: I don't really  
10 know. You can see, I don't know your office practices well  
11 enough, Mr. Catanach. This is shown total aberration; it's  
12 virtually surrounded by San Andres dry holes in the imme-  
13 diate vicinity. It looks like this is most likely the ex-  
14 tent of the pool if one needs to be created.

15 MR. CATANACH: Well, one needs  
16 to be created, I would think.

17 Ms. Padilla, you said the Mag-  
18 nolia and the Franklin were abandoned. Were those drilled  
19 to the San Andres?

20 MS. PADILLA: They look like  
21 they've been drilled a little bit deeper. I do not know  
22 the specifics on these two wells. I do not have the in-  
23 formation with me.

24 MR. DICKERSON: You can see,  
25 Mr. Catanach from the map that those well were drilled to

1 in excess of 8000 feet, so it is apparent that they were  
2 drilled for some substantially deeper horizon than this San  
3 Andres production which Exhibit Two shows to occur at total  
4 depth of the well, 3400 feet, and the actual production  
5 from perforations from 3009 feet to 3245 feet.

6 MR. CATANACH: No further  
7 questions. The witness may be excused.

8 Anything further in this case?

9 MR. DICKERSON: No, sir.

10 MR. CATANACH: If not, it will  
11 be taken under advisement.

12

13

(Hearing concluded.)

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## C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY  
CERTIFY that the foregoing Transcript of Hearing before the  
Oil Conservation Division (Commission) was reported by me;  
that the said transcript is a full, true and correct record  
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 9607,  
heard by me on March 29, 1989.

David R. Catamb, Examiner  
Oil Conservation Division



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SANTA FE OFFICE

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
b. Type of Well  
DRILL  DEEPEN  PLUG BACK   
OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

7. Unit Agreement Name

8. Farm or Lease Name  
Lightcap "YR"

2. Name of Operator  
Yates Petroleum Corporation

9. Well No.  
1

3. Address of Operator  
207 S. 4th, Artesia, New Mexico 88210

10. Field and Pool, or Wildcat  
Unders. SA

4. Location of Well  
UNIT LETTER A LOCATED 330 FEET FROM THE North LINE  
AND 330 FEET FROM THE East LINE OF SEC. 25 TWP. 7S R. 29E N.M.P.M.

17. County  
Chaves

19. Proposed Depth appr. 2700'	19A. Formation San Andres	20. Interval or C.T. Rotary
21. Elevations (show whether DT, HJ, etc.) 4113' GL	21A. Kind & Status Plug. Band Blanket	21B. Drilling Contractor AFT #1
		22. Approx. Date Work will start ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	10 3/4"	40.5# J-55	350'	350 sx	circ
6 1/4"	4 1/2"	9.5# J-55	TD	300 sx	

Plan to drill and test the San Andres formation. Will set conductor pipe at surface and 350' of 10 3/4" casing. If circulation problems are encountered will run 8 5/8" to 1200', then will go and set 4 1/2". Perforate and stimulate as needed for production.

MUD PROGRAM: FW gel to 350', FW to TD.

BOP PROGRAM: BOP's will be installed on surface casing and tested.

Sent to partners  
12-30-83  
cy (4)

180  
6-21-84

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Walter R. ... Title Regulatory Agent Date 12/19/83

(This space for State Use)

APPROVED BY W. H. ... TITLE OIL AND GAS INSPECTOR DATE DEC 21 1983

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION  
Case No. 9627  
3/29/89 Examiner Hearing  
Exhibit No. 2

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

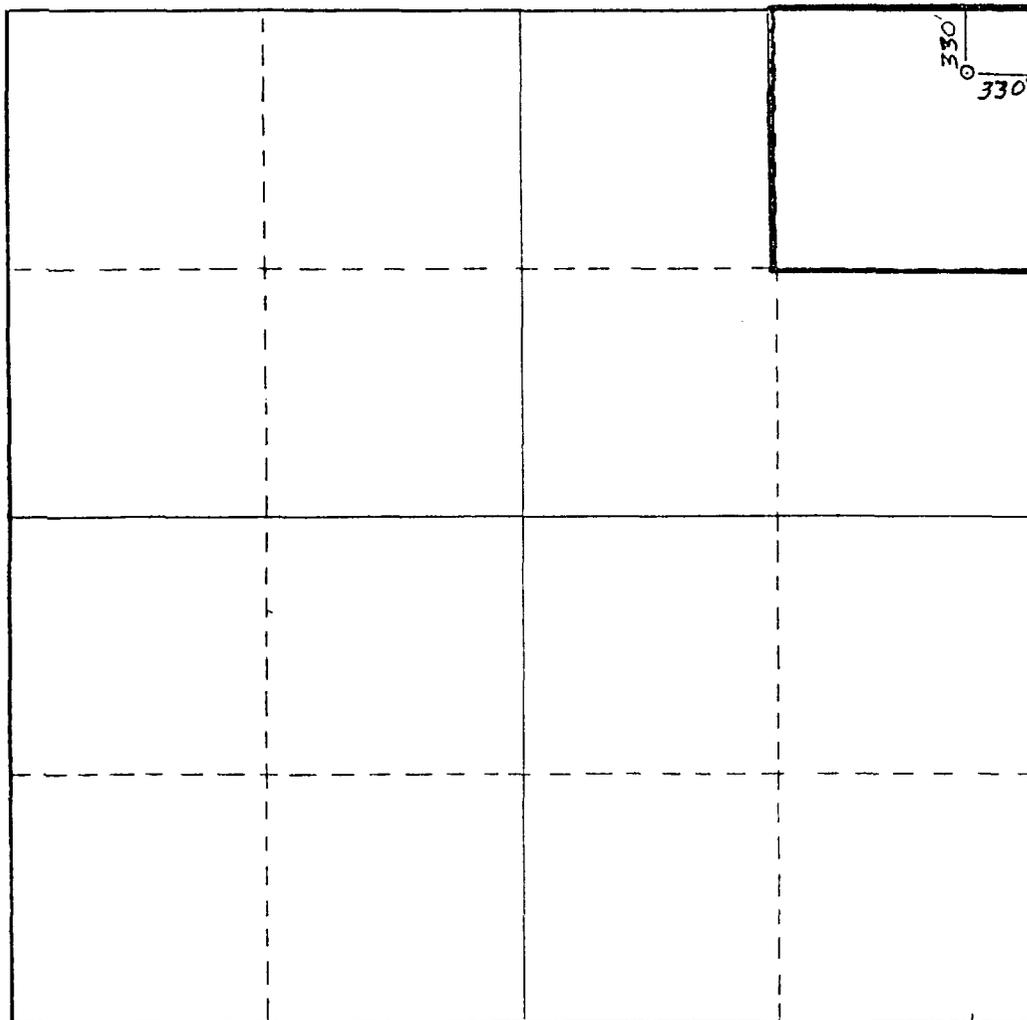
Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>Lightcap YR</b>			Well No. <b>1</b>
Unit Letter <b>A</b>	Section <b>25</b>	Township <b>7 South</b>	Range <b>29 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line					
Ground Level Elev. <b>4113.</b>	Producing Formation <i>Sau Hendrix</i>		Pool <i>Wildcat Sau Hendrix</i>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Gliserio Rodriguez*  
Name

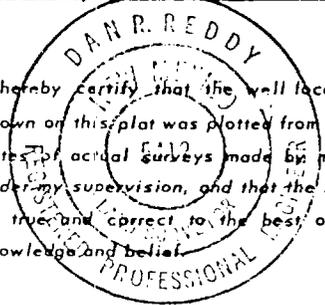
**GLISERIO RODRIGUEZ**  
Position

**REG. AGT.**  
Company

**YATES PETROLEUM CORP**  
Date

**12-19-83**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed  
**December 10, 1983**

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

**NM PE&LS #5412**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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OPERATOR	

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.

1. TYPE OF WELL  
OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

7. Unit Agreement Name

2. TYPE OF COMPLETION  
NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  OTHER \_\_\_\_\_

8. Farm or Lease Name  
Lightcap "YR"

3. Name of Operator  
Yates Petroleum Corporation

9. Well No.  
1

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

10. Field and Pool, or Wildcat  
Wildcat San Andres

6. Location of Well

5. IT LETTER A LOCATED 330 FEET FROM THE North LINE AND 330 FEET FROM

11. County

East LINE OF SEC. 25 TWP. 7S RGE. 29E NMPM

12. County  
Chaves

7. Date Spudded 1-10-84 16. Date T.D. Reached 1-16-84 17. Date Compl. (Ready to Prod.) 6-27-84 18. Elevations (DF, RKB, RT, GR, etc.) 4113' GR 19. Elev. Casinghead

8. Total Depth 3400' 21. Plug Back T.D. 3350' 22. If Multiple Compl., How Many \_\_\_\_\_ 23. Intervals Drilled By: Rotary Tools 0-3400' Cable Tools \_\_\_\_\_

9. Producing Interval(s), of this completion - Top, Bottom, Name  
3009-3245 1/2' San Andres 25. Was Directional Survey Made No

10. Type Electric and Other Logs Run CNL/FDC; DLL 27. Was Well Cored No

11. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	40.5#	381'	12-1/4"	350	
5-1/2"	15.5#	3400'	7-7/8"	200	

12. LINER RECORD 13. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	2980'	2980'

14. Perforation Record (Interval, size and number) 15. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

PERFORATION	ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
3009-32 w/12 .50" Holes	DEPTH INTERVAL
3086-3137 w/14 .42" Holes	AMOUNT AND KIND MATERIAL USED
3173-3233 w/10 .50" Holes	3009-32 w/16500 g. 20% acid + balls
3181-3245 1/2 w/.42" Holes	3086-3137 w/6000g. 20% acid + balls
	3173-3233 w/5000g. 20% acid + balls
	3181-3245 1/2 w/6000 g. 20% acid + balls

16. PRODUCTION

16a. First Production 6-27-84 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) SIWOPLC

16b. Date of Test 6-27-84 Hours Tested 8 Choke Size 24/64" Prod'n. For Test Period → Oil - Bbl. - Gas - MCF 110 Water - Bbl. - Gas - Oil Ratio -

16c. Flow Tubing Press. 230 Casing Pressure Pkr Calculated 24-Hour Rate → Oil - Bbl. - Gas - MCF 330 Water - Bbl. - Oil Gravity - API (Corr.) -

17. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented - will be sold Test Witnessed By Randy Wiebenga

18. List of Attachments  
Deviation Survey

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.

SIGNED [Signature] TITLE Production Supervisor DATE 6-28-84

# 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 30 through 34 shall be reported for each zone. The form is to be filed in quadruplicate 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

### Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____ <span style="float: right;">1030</span>	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ <span style="float: right;">1128</span>	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 _____ <span style="float: right;">1706</span>	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ <span style="float: right;">2390</span>	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	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. 4, from.....to.....
No. 2, from.....to.....	No. 5, from.....to.....
No. 3, from.....to.....	No. 6, 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.....
No. 4, from.....to.....	feet.....

### FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	381	381	Surface, Redbeds				
381	2082	1701	Redbeds, Anhydrite, Salt				
2082	3165	1083	Anhydrite, Shale				
3165	3400	235	Dolomite				

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-79

All distances must be from the outer boundaries of the Section.

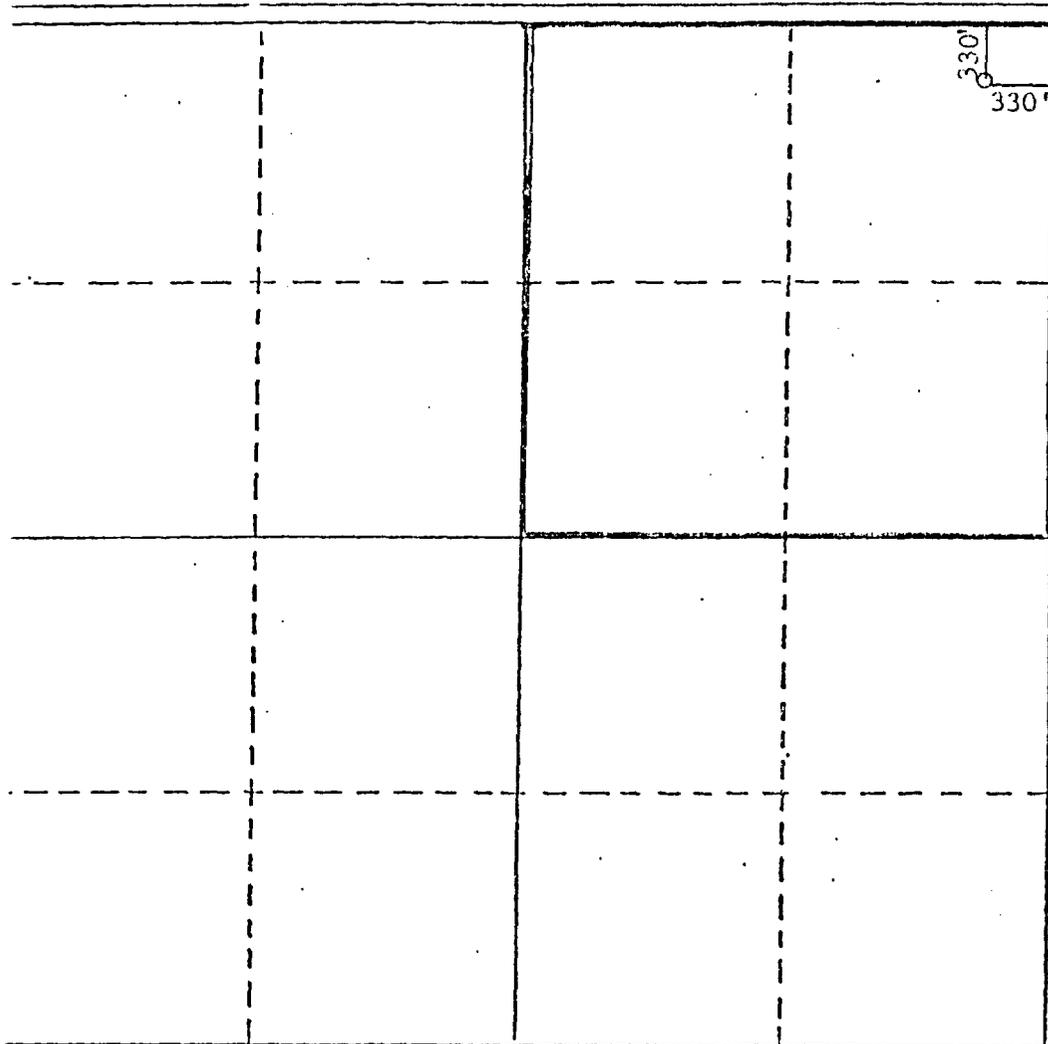
Operator Yates Petroleum Corporation			Lease Lightcap "YR"		Well No. 1
Well Letter A	Section 25	Township 7 South	Range 29 East	County Chaves	
Circular Footage Location of Well:					
330 feet from the North		line and	330 feet from the East		line
Ground Level Elev. 4113'	Producing Formation San Andres		Pool Wildcat San Andres		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

*Juanita Goodlett*  
Name

Juanita Goodlett

Position  
Production Supervisor

Company  
Yates Petroleum Corporation

Date  
6-29-84

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Refer to original plat  
Date Surveyed dated 12-10-83

Registered Professional Engineer  
and/or Land Surveyor

Certificate No.





receipt requested, postage prepaid envelopes, addressed to the following named parties:

Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210

Myco Industries, Inc.  
105 South Fourth Street  
Artesia, New Mexico 88210

Abo Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Stevens Operating Corporation  
P. O. Box 2203  
Roswell, New Mexico 88201

State Office  
Bureau of Land Management  
P. O. Box 1449  
Santa Fe, New Mexico 87504-1449

District Office  
Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

on the 13th day of February, 1989, as reflected by the copies of the letters transmitting such copies of the application and the return receipts executed on behalf of the addressees, attached hereto.

Patti Wier  
Patti Wier

SUBSCRIBED AND SWORN TO before me this 13th day of February, 1989, by PATTI WIER.

My commission expires:  
1-2-90

Karen Reyes  
Notary Public

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210

Re: Lightcap "YR" No. 1 Well  
Township 7 South, Range 29 East, NMPM  
Section 25: NE/4  
Chaves County, New Mexico

Gentlemen:

Enclosed, please find a copy of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves County, New Mexico.

Hearing is scheduled before the New Mexico Oil Conservation Division, in Santa Fe, New Mexico, on March 15, 1989.

Please contact the undersigned if you have any questions regarding this application.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Myco Industries, Inc.  
105 South Fourth Street  
Artesia, New Mexico 88210

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DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Abo Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

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DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Stevens Operating Corporation  
P. O. Box 2203  
Roswell, New Mexico 88201

Re: Lightcap "YR" No. 1 Well  
Township 7 South, Range 29 East, NMPM  
Section 25: NE/4  
Chaves County, New Mexico

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Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

State Office  
Bureau of Land Management  
P. O. Box 1449  
Santa Fe, New Mexico 87504-1449

Re: Lightcap "YR" No. 1 Well  
Township 7 South, Range 29 East, NMPM  
Section 25: NE/4  
Chaves County, New Mexico

Gentlemen:

Enclosed, please find a copy of the Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Chaves County, New Mexico.

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Please contact the undersigned if you have any questions regarding this application.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

February 13, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

District Office  
Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Re: Lightcap "YR" No. 1 Well  
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Section 25: NE/4  
Chaves County, New Mexico

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Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosure

cc: Yates Petroleum Corporation

P 920 346 865

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to <b>Vates Drilling Company</b>	
Street and No <b>105 South Fourth Street</b>	
P.O. State and ZIP Code <b>Artesia, NM 88210</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 866

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to <b>Myco Industries, Inc.</b>	
Street and No <b>105 South Fourth Street</b>	
P.O. State and ZIP Code <b>Artesia, NM 88210</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 867

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to <b>Abo Petroleum Corp.</b>	
Street and No <b>105 South Fourth Street</b>	
P.O. State and ZIP Code <b>Artesia, NM 88210</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 868

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to <b>Stevens Operating Corp.</b>	
Street and No <b>P. O. Box 2203</b>	
P.O. State and ZIP Code <b>Roswell, NM 88201</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

P 920 346 869

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

PS Form 3800, June 1985

Sent to <b>State Office</b>	
Street and No <b>Bureau of Land Management</b>	
P.O. State and ZIP Code <b>P. O. Box 1449</b>	
Postage	\$
<b>Santa Fe, NM 87504-1449</b>	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 920 346 870

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

PS Form 3800, June 1985

Sent to <b>District Office</b>	
Street and No <b>Bureau of Land Management</b>	
P.O. State and ZIP Code <b>P. O. Box 1397</b>	
Postage	\$
<b>Roswell, NM 88201</b>	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  Yates Drilling Company 105 South Fourth Street Artesia, NM 88210	4. Article Number <b>P 920 346 865</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature — Addressee <b>X</b> 	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b>	
7. Date of Delivery <b>2/14/89</b>	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

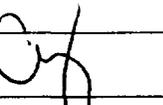
1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  Myco Industries, Inc. 105 South Fourth Street Artesia, NM 88210	4. Article Number <b>P 920 346 866</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature — Addressee <b>X</b> 	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b>	
7. Date of Delivery <b>2/14/89</b>	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  Abo Petroleum Corp. 105 South Fourth Street Artesia, NM 88210	4. Article Number <b>P 920 346 867</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature — Addressee <b>X</b> 	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <b>X</b>	
7. Date of Delivery <b>2/14/89</b>	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  Stevens Operating Corp. P. O. Box 2203 Roswell, NM 88201	4. Article Number P 920 346 868
	Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Suzanne Cox</i>	
7. Date of Delivery 2/14/89	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  State Office Bureau of Land Management P. O. Box 1449 Santa Fe, NM 87504-1449	4. Article Number P 920 346 869
	Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery FEB 14 1989	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
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1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery.

3. Article Addressed to:  District Office Bureau of Land Management P. O. Box 1397 Roswell, NM 88201	4. Article Number P 920 346 870
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery FEB 14 1989	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT