



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

May 24, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

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

Attention: Paul Ragsdale

Dear Mr. Ragsdale:

Reference is made to your request dated May 18, 1990, for authorization to downhole commingle multiple zones within the wellbore of the DeSana Unit Well No. 1 located in Section 17, Township 18 South, Range 24 East, NMPM, Eddy County, New Mexico. After reviewing your application, I find that the proposed commingling does not qualify for administrative approval pursuant to Division Rule No. 303 (C). I have therefore set the application to hearing before a Division Examiner on June 27, 1990. If you do not wish to pursue the proposed commingling please advise.

If you have any questions, please contact myself at (505) 827-5800.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach".

David Catanach
Engineer

xc: OCD-Artesia

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

DEC 5 '89

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1152
7. Lease Name or Unit Agreement Name Desana Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' 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 GAS WELL OTHER

2. Name of Operator
YATES PETROLEUM CORPORATION ✓

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

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line
Section 17 Township 18S Range 24E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3808' 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Treated Yeso perforations <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.

12-1-89. Acidized perforations 1675-1739' (15 holes) w/2500 gals 20% NEFE acid and 21 ball sealers. No show of gas.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 12-4-89
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)
APPROVED BY MIKE WILLIAMS ORIGINAL SIGNED BY MIKE WILLIAMS
SUPERVISOR, DISTRICT II TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

131011

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

Handwritten initials 'SF' with a cross symbol.

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

RECEIVED '89 DEC 8 PM 9 40

DEC 4 '89

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1152
7. Lease Name or Unit Agreement Name Desana Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat

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>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>17</u> Township <u>18S</u> Range <u>24E</u> NMPM <u>Eddy</u> County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' GR

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PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Tested well, Perforate Yeso</u> <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.

11-2-89. SITP 1400#. Flow test 3 hours on 1/2" choke. Final flow pressure 3#.

11-21-89. SITP 1510' at 12:00 AM FTP 2# at 2:00 PM. Opened 2 hours and 10 minutes on 32/64" choke.

11-27-89. MIRU. POOH w/RBP from 4953' and packer from 4824'. WIH w/packer and RBP. Tested RBP to 2000#. Straddled perforated interval 4932-4990'. Set packer above. Made 1 swab run.

11-29-89. Swabbed to seating nipple. Recovered 18 bbls. Installed 1/8" choke. After 2 hrs, GTS, TSTM, but would burn. Swabbed dry.

11-30-89. POOH w/packer and RBP. Perforated 1675-1739' w/15 .40" holes as follows: 1675, 76, 80, 92, 95, 97, 1700, 19, 21, 23, 25, 32, 35, 37 and 1739'. WBIH w/packer, RBP. Straddled perforated interval. Swabbed dry after recovering 8 bbls with no show of gas.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 12-1-89

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Timothy Williams TITLE SUPERVISOR, DISTRICT II DATE DEC - 7 1989

CONDITIONS OF APPROVAL, IF ANY:

'89 OCT 23 AM 9 01

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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

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DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088
OCT 13 '89

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1152
7. Lease Name or Unit Agreement Name Desana Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' 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 GAS WELL OTHER

2. Name of Operator
YATES PETROLEUM CORPORATION

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

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line
Section 17 Township 18S Range 24E NMPM Eddy County

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PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Test, Perforate, Treat</u> <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.

9-25-89. Move RBP to 7287', tested to 1500 psi, OK. Perforated 12 .42" holes at 7178-84' (2 SPF). Acidized perms 7178-84' w/1500 g. 15% MCA + N2 and ball sealers. Well flowed 60 psi on 1/8" choke.

9-28-89. Moved RBP to 7105' and tested to 1500 psi, OK.

9-29-89. Perforated 4932-6907 w/48 .42" holes as follows: 4932, 35, 36, 37, 38, 39, 42, 43, 46, 47, 52, 53, 71, 73, 87, 90' (16 holes); 5436, 37, 38, 39' (4 holes), 5597, 98, 99, 5600, 01, 02' (6 holes); 5874, 75, 76, 77, 78, 79' (6 holes) 6532, 33, 34, 35, 36, 37' (6 holes), 6894, 95, 96, 97, 98, 6900, 02, 04, 06, 07' (10 holes). Treated perforations 6894-6907' w/1500 g. 15% acid; 6532-37' w/1000 g. 15% acid; 5874-79' w/750 g. 15% acid; 5597-02' w/750 g. 15% acid; 5436-39' w/750 g. 15% acid, 4932-90' w/2250 g. 20% acid + N2 and ball sealers. Open well on 1/2" choke. Well flowed 1-1/2 hours and died. Made seven swab runs. Show of gas on swab. (10-11-89)

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

SIGNATURE: Juanita Goodlett TITLE Production Supervisor DATE 10-12-89
 TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY: [Signature] TITLE SUPERVISOR, DISTRICT II DATE OCT 20 1989

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

OIL CONSERVATION DIVISION
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
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DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
RECEIVED
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

OCT 13 '89

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1152
7. Lease Name or Unit Agreement Name Desana Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' 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 <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>17</u> Township <u>18S</u> Range <u>24E</u> NMPM <u>Eddy</u> County
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PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Test, Perforate, Treat <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.

8-7-89. Well flowed 65 psi on 1/8" choke = 27 mcf/d from perforations 8162-8129'.
 8-14-89. Bennett-Cathey ran static build-up.
 8-20-89. Bennett-Cathey ran static build-up.
 9-2-89. Bennett-Cathey ran static build-up. Zone apparently depleted.
 9-7-89. RU pulling unit. Perforated 8061-65', 7963-67' and 7812-18' w/17 .42" holes.
 9-11-89. Acidized perms 8061-65' w/1000g. 7 1/2% acid. Acidized perms 7963-67' w/1000g. 7 1/2% acid.
 9-13-89. Acidized perms 7812-18' w/1500g. 15% MCA acid, N2 + ball sealers.
 9-14 - 9-17-89. Swabbed and tested well.
 9-21-89. Moved RBP to 7750'. WIH and perforated 7643-47', 7654-58' (10 holes-1 SPF) and 7558-62' (8 holes-2 SPF). Acidized perforations in two stages w/2000 gals 15% NEFE acid.
 9-23-89. Swabbed well with show of gas on swab.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 10-11-89
 TYPE OR PRINT NAME: Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY MIKE WILLIAMS TITLE SUPERVISOR, DISTRICT II DATE OCT 20 1989
 SUPERVISOR, DISTRICT II

CONDITIONS OF APPROVAL, IF ANY:

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District Office

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Energy, Minerals and Natural Resources Department

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Revised 1-1-89

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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

AUG 28 '89

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1152
7. Lease Name or Unit Agreement Name Desana Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat Morrow
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' 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 GAS WELL OTHER

2. Name of Operator
YATES PETROLEUM CORPORATION

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

4. Well Location
Unit Letter C : 1980 Feet From The North Line and 1980 Feet From The East Line
Section 17 Township 18S Range 24E NMPM Eddy County

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PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Perforate, Treat</u> <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.

8-1-89. Drilled out DV tool at 4662'. Perforated 8171-83' w/14 .42" holes as follows: 8171-76' (10 holes-2 SPF); 8181-83' (4 holes-2 SPF). Acidized perms 8171-83' (14 holes) w/1500 gals 7 1/2% Morrow acid.

8-5-89. Perforated 8126-29' w/6 .42" holes (2 SPF). Acidized perms 8126-29' w/1000 gals 7 1/2% Morrow acid.

RECEIVED
AUG 30 1989
OIL CONSERVATION DIV.
SANTA FE

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 8-25-89

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Mike Williams TITLE SUPERVISOR, DISTRICT II DATE AUG 29 1989

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Land Office	
Est M	
Operator	

Form C-103
Revised 1-1-89

DISTRICT I
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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

AUG 3 1989

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-015-26137

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
V-1152

SUNDRY NOTICES AND REPORTS ON WELLS
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DIFFERENT RESERVOIR. USE APPLICATION FOR PERMITS RECEIVED
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

Desana Unit

1. Type of Well:
OIL WELL GAS WELL OTHER

JUL 31 '89

8. Well No.
1

2. Name of Operator
YATES PETROLEUM CORPORATION

O. C. D.
ARTESIA OFFICE

9. Pool name or Wildcat
Wildcat Morrow

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

4. Well Location
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Section 17 Township 18S Range 24E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
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SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK
TEMPORARILY ABANDON
PULL OR ALTER CASING
OTHER:

PLUG AND ABANDON
CHANGE PLANS

REMEDIAL WORK
COMMENCE DRILLING OPNS.
CASING TEST AND CEMENT JOB
OTHER: Production Casing

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.

TD 8350'. Reached TD 6:45 AM 7-22-89. Ran 198 joints 5 1/2" casing as follows: 18 jts 5 1/2" 17# J-55; 144 jts 5 1/2" 15.5# J-55 and 36 jts 5 1/2" 17# J-55 (total 8351') casing set 8350'. Float shoe st 8350', float collar set 8308'. DV tool set 4662'. Cemented in two stages as follows: Stage I - 1000 gals Flocheck-21, 1425 sx Class "H" with 5#/sx Salt + .3% CFR-3, 4% Halad 22A and 5#/sx Gilsonite (yield 1.18, weight 15.6). PD 9:30 AM 7-25-89. Opened DV tool with 1200 psi. Circulated thru DV tool 4 hrs. Stage II - 1000 gals Flocheck-21, 1200 sx Halliburton Lite w/10#/sx Gilsonite + 1/2#/sx Flocele (yield 1.99, weight 12.4). Tailed in w/100 sx Class "H" Neat (yield 1.18, weight 15.6). PD 1:45 PM 7-25-89. Closed DV at 2200 psi. Bumped plug to 2200 psi for 2 minutes, released pressure and casing held okay. Cement circulated both stages.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 7-28-89

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Mike Williams TITLE SUPERVISOR, DISTRICT 4 DATE AUG 1 1989

CONDITIONS OF APPROVAL, IF ANY:

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Form C-103 Revised 1-1-89

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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

RECEIVED

JUL 17 1989

O. C. D. ARTESIA OFFICE

WELL API NO. 30-015-26137
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-1152



7. Lease Name or Unit Agreement Name Desana Unit

8. Well No. 1 JUL 19 1989

9. Pool name or Wildcat Wildcat Morrow OIL CONSERVATION DIV. SANTA FE

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.)

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2. Name of Operator YATES PETROLEUM CORPORATION

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

4. Well Location Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line Section 17 Township 18S Range 24E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3808' GR

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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 26" hole 7:45 AM 6-29-89 with Frank's Rathole. Resumed drilling 17 1/2" hole 8:30 PM 6-30-89. Notified John Robinson, NMOCD, Artesia. Ran 6 jts 13-3/8" 54.5# J-55 casing set 260'. Guide shoe set 260, insert float set 214'. Cemented w/325 sx C1 C + 2% CaCl2 (yield 1.32, wt 14.8). PD 4:30 AM 7-2-89. Bumped plug to 400 psi, held okay. Circulated 50 sacks. WOC. Drilled out 11:15 PM 7-1-89. WOC 18 hrs and 45 mins. NU and tested to 1000# for 30 mins, OK. Reduced hole to 12-1/4". Resumed drilling. Lost circulation 570'. Ran 26 jts 8-5/8" 24# J-55 casing set 1105'. Guide shoe set 1105', insert float set 1063'. Cemented w/400 sx Halliburton Lite w/10#/sx Gilsonite, 1/2#/sx Flocele + 3% CaCl2 (yield 1.84, wt 12.7). Tailed in w/200 sx C1 C w/2% Cacl2 (yield 1.32, wt 14.8). PD 1:00 AM 7-3-89. Bumped plug to 400 psi, held okay. Cement did not circulate. WOC 6 hrs. TOC at 525'. Ran 1". Tag cement 527'. Spot 100 sx C1 C+4% CaCl2. PD 11:00 AM 7-3-89. WOC 1 hr. Ran 1". Tag cement 155'. Spot 100 sx C1 C +4% CaCl2. PD 12:30 PM 7-3-89. Circulated 5 sx to pit. WOC. Drilled out 12:30 AM 7-4-89. WOC 23 hrs and 30 mins. NU and tested to 1000 psi for 30 mins, OK. Reduced hole to 7-7/8". Resumed drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 7-13-89 TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use) APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE JUL 17 1989 CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

RECEIVED

30-010-26137

DISTRICT I
P.O. Box 1980, Hobbs, NM 78401

JUN 19 1989

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

JUN 15 '89

File	
GLM	
Land Office	
B of M	
Operator	

JUN 15 '89

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

SANTA FE

O. C. D.

API NO. (assigned by OCD on New Wells) V-1152
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Desana Unit
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Well No. #1
2. Name of Operator YATES PETROLEUM CORPORATION	9. Pool name or Wildcat Wildcat (Mason)
3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210	
4. Well Location Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>17</u> Township <u>18 South</u> Range <u>24 East</u> NMPM <u>EDDY</u> County	

10. Proposed Depth 8300'	11. Formation Morrow	12. Rotary or C.T. Rotary
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13. Elevations (Show whether DF, RT, GR, etc.) 3808' GR	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Undesignated	16. Approx. Date Work will start ASAP
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17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5 # J-55	Approx. 250'	250 Sacks	Circulate
12 1/4"	8 5/8"	24 # J-55	Approx. 1100'	600 Sacks	Circulate
7 7/8"	5 1/2"	15 & 17 # J-55	TD	350 Sacks	

We propose to drill and test the Morrow and Intermediate formations. Approximately 250' of surface casing will be run and the cement circulated to shut off gravel and cavings. Intermediate casing will be set 100' below the Artesian Water Zone and cement circulated to the surface. If commercial pay is encountered, we will run 5 1/2" casing and cement with 600' of cover, perforate and stimulate as needed for production.

MUD Program: FW gel and LCM to 1100', fresh water to 3850', KCL water to 6000', Starch/Drispak/KCL to 7100', Flosal/Drispak/KCL mud to TD.

BOP: BOP's and Hydrill on 8 5/8" casing and tested, piperams daily for operational, Yellow jacket prior to drilling Wolfcamp.

GAS NOT DEDICATED:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 12/16/89
IF DRILLING UNDERWAY

IN 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.

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

SIGNATURE Clifton R. May TITLE PERMIT AGENT DATE 6-15-89
TYPE OR PRINT NAME CLIFTON R. MAY TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY Mike Williams TITLE SUPERVISOR, DISTRICT-III DATE JUN 16 1989

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT TIME TO WITNESS CEMENTING THE 8 5/8 CASING

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

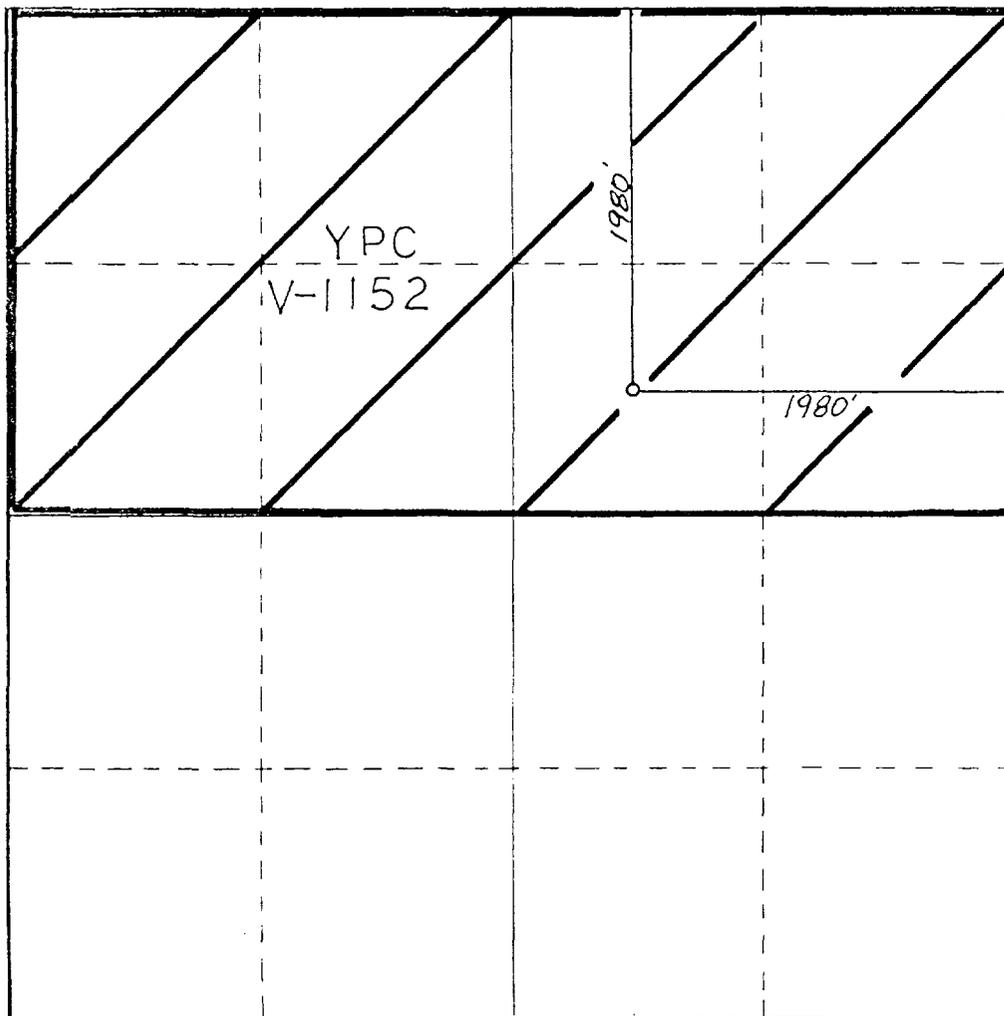
Operator YATES PETROLEUM CORPORATION		Lease Desana Unit			Well No. 1
Grid Letter G	Section 17	Township 18 South	Range 24 East	County Eddy County, N. M.	
Actual Well Location of Well: 1980 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 3808.	Producing Formation MORROW	Pool WILDCAT MORROW		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 IS UNITIZATION

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.

Clifton R. May

Name CLIFTON R. MAY
Position PERMIT AGENT
Company YATES PETROLEUM CORPORATION
Date 6-15-89



Date Surveyed June 10, 1989
Registered Professional Engineer and/or Land Surveyor <i>Dan R. Reddy</i>
Certificate No. NM PE&LS NO. 5412

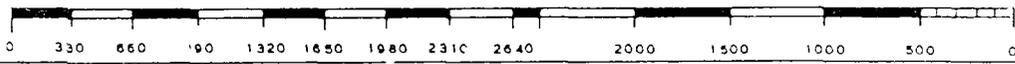
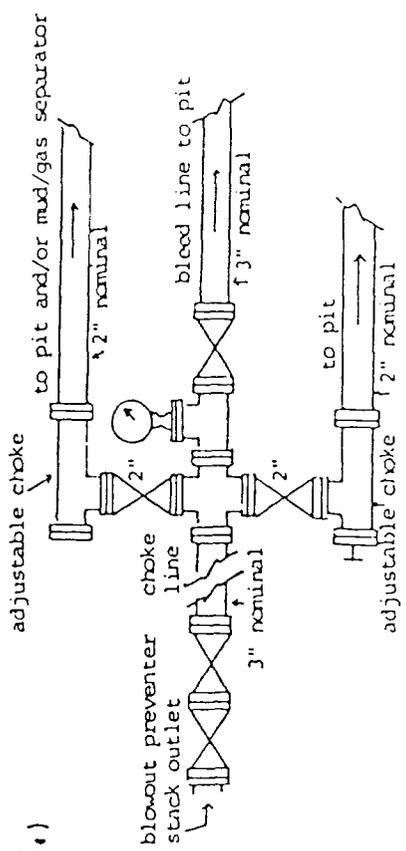
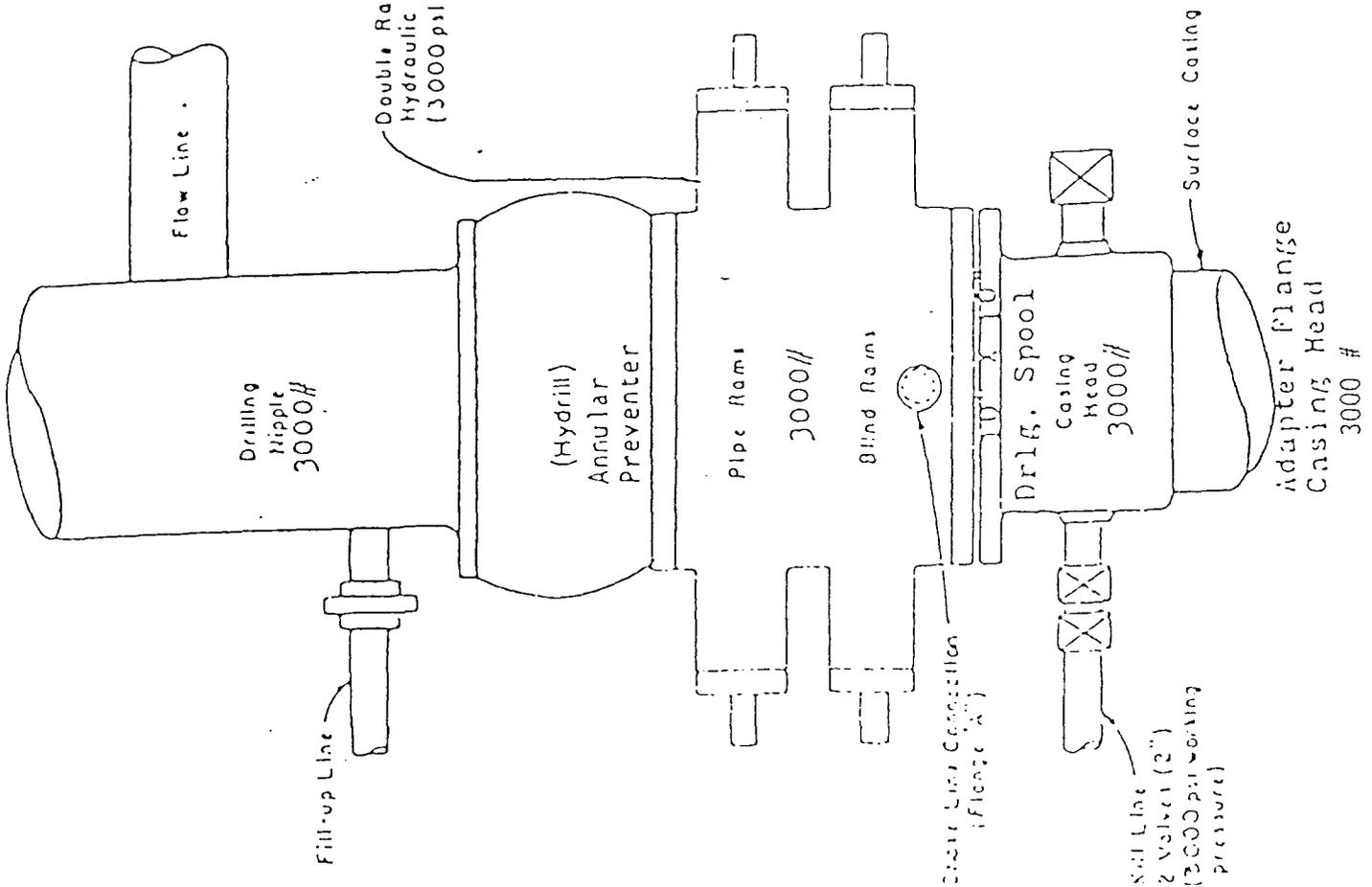


EXHIBIT "B"

Blowout Preventer
Diagram



typical choke manifold assembly for 3M rated working pressure service-surface installation

