

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

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TREASURER

April 26, 1994

New Mexico Oil Conservation Division  
P. O. Drawer DD  
Artesia, New Mexico 88211

Attention: Jim Morrow

APR 26 1994

Dear Mr. Morrow:

Yates Petroleum Corporation is requesting temporary exception to either plugging or casing and cementing the Creek AL Federal #10 located in P 23-18S-30E. This is per Order No. R-9895 which authorized Hanson Operating Company, Inc. to institute its Benson Shugart Waterflood Unit Project in Sections 25, 26 & 35-18S-30E. Hanson cannot commence injection into its Ginsberg Federal #17 located in A 26-18S-30E until Yates Petroleum's Creek AL #10 is either plugged or cased and cemented.

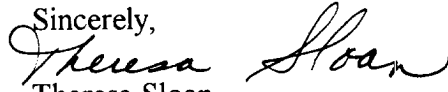
The attached plat shows the locations of the Yates Petroleum Creek AL Waterflood and the Hanson Operating Benson Shugart Waterflood. I spoke with you April 5th with respect to plugging the Creek AL #10 in a TA status due to a delay in initiating Yates' Creek AL Federal Waterflood because of oil prices. I have attached a copy of the sundry notice along with a schematic of the proposed P&A.

In order to temporarily plug the Creek AL #10 in this manner, it will cost \$7500. To rig up and drill out the cement plugs, it will cost an additional \$15,000. In the interest of conservation of resources and to prevent waste, Yates Petroleum Corporation respectfully requests exception to temporarily plugging the Creek AL #10 in this manner and propose the following.

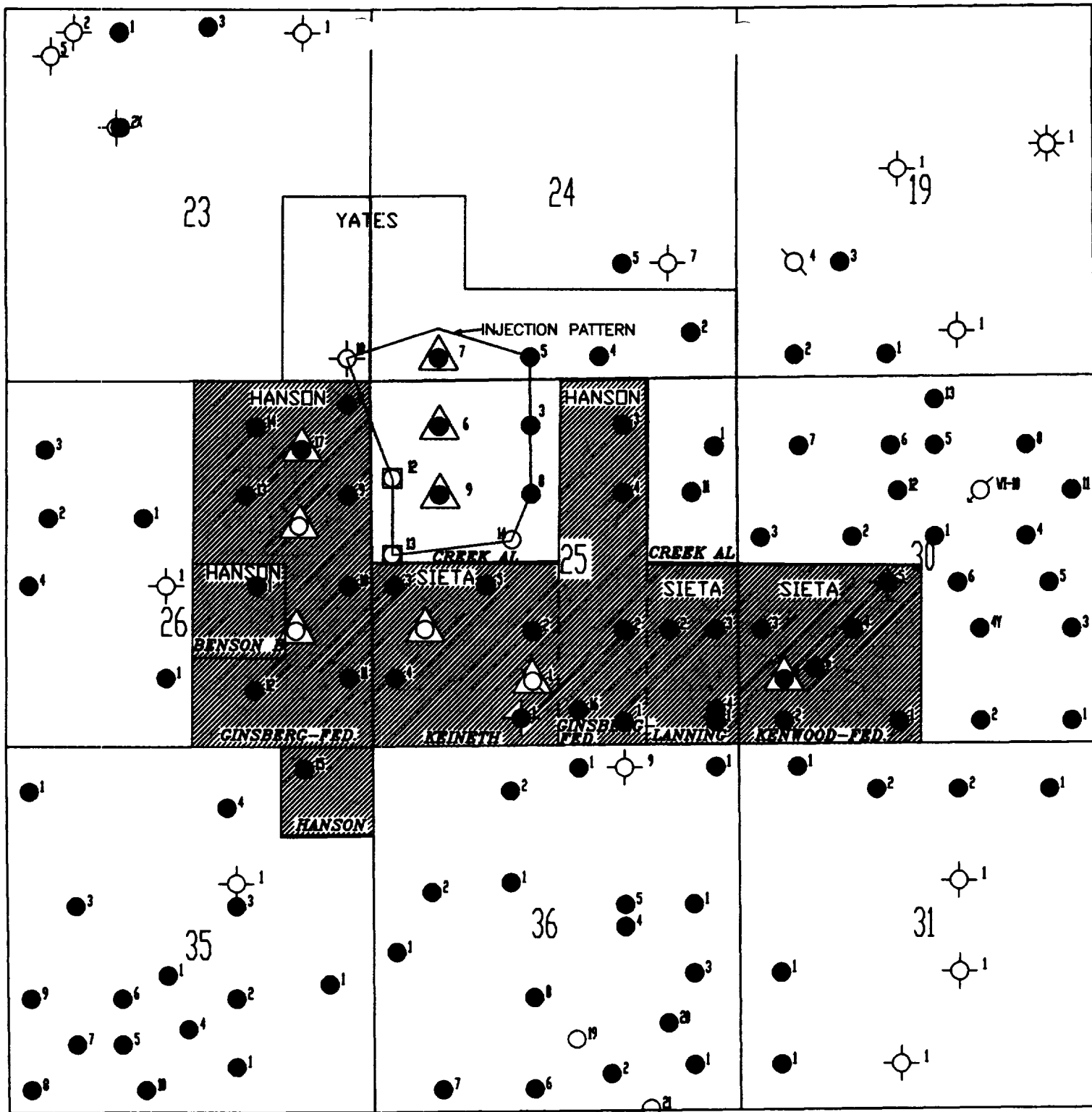
NMOCD  
Jim Morrow  
Page 2

We propose to run tubing in the hole and clean out the hole. The tubing will be placed at +2300'. We would monitor the pressure at the surface. At the first indication of a response, we would commit to immediately either permanently plug and abandon or case and cement the well. We want to be careful in making the correct decision on this well and conserve our resources.

Please advise us of your decision. Thank you for your consideration.

Sincerely,  
  
Theresa Sloan  
Petroleum Engineer

Enclosures



- ▲ INJECTION WELLS
- APPROVED LOCATIONS
- NEW LOCATIONS



# AREA PLAT PROPOSED WATERFLOOD SHUGART FIELD

SEC. 23,24,25 T18S - R30E  
EDDY COUNTY, NEW MEXICO

DRAFT\A93010 JF

EXHIBIT 2

12/6/93 revised  
SCALE 1"=2000'

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.

NMLC028990B

6. If Indian, Allottee or Tribe Name

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Creek AL #10

9. API Well No.

30-015-20731

10. Field and Pool, or Exploratory Area

Shugart Yates Seven Rivers

11. County or Parish, State Queen

Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Plug & Abandon with  
TA Status

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Verbal approval was obtained by Theresa Sloan, Engineer with Yates Petroleum Corporation, from Mr. Jim Morrow with the Oil Conservation Division in Artesia, on April 5, 1994, to plug and abandon with TA Status well. The reason being is that the waterflood has been delayed due to declining oil prices. Well needs to be plugged or cased and cemented due to NMOCD Order No. R-9895. Propose to leave in TA Status for 2 months to one year. Propose to plug and abandon by setting plugs as follows:

1. 3375-3275' (100') - tag plug.
2. 2945-2845' (100')
3. 1905-1805' (100')
4. 1800-1700' (100') (across 8-5/8" shoe) - tag plug.

NOTIFY BLM (887-6544) and OCD (748-1283) 24 HOURS PRIOR TO COMMENCING PLUGGING OPERATIONS!

14. I hereby certify that the foregoing is true and correct

Signed

Title Production Clerk

Date April 7, 1994

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

50 SHEETS EYE-EASE 5 SQUARE  
100 SHEETS EYE-EASE 5 SQUARE  
200 SHEETS EYE-EASE 5 SQUARE  
200 SHEETS EYE-EASE 5 SQUARE  
100 RECYCLED WHITE 5 SQUARE  
200 RECYCLED WHITE 5 SQUARE

**एनएस** National Brand

TD-3519' - Completion Report  
TD-3525' - Drilling Chronological