



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 746-3558

RECEIVED

JAN 23 1981

O. C. D.  
ARTESIA, OFFICE

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

January 22, 1981

Mr. W. E. (Bill) Gressett  
District Supervisor  
New Mexico Oil Conservation Division  
Drawer DD  
Artesia, New Mexico 88210

Re: Temporary Gas Allowable for  
Uncompleted Well, CC Tank Unit No. 1

Dear Bill:

Further to our telephone conversation of January 16, 1981, subject well remained shut in until January 20, 1981 before the well could be connected to sales. We are asking for a temporary permit to produce the well until we can determine the source of the gas and whether there are sufficient reserves to warrant killing the well, cementing the casing and perforating for a completion.


On January 14, 1981 the well was loaded with mud and casing was cut at 6950' KB prep to pull casing and plug back for a Yeso completion. One joint of casing was dragged out and laid down and operations shut down for the night. The well was dead. On Thursday morning a gas bubble surfaced from between the 4-1/2" and 8-5/8" casing. The well unloaded the drilling mud from the annulus with no loss of fluid from the 4-1/2" casing. An undetermined amount of gas was vented while waiting on brine and a pump truck, then the well was loaded and shut in with BOP's on the 8-5/8" and a valve on the 4-1/2" casing. On January 20, 1981, the annulus had 900 psi, the 4-1/2" had no pressure.

The gas is sweet gas and believed to be coming from the Permo Penn section above 6300'. We would like to flow the well for 30-60 days. Hopefully within a few days we will get some pressure in the 4-1/2" casing so that we can reverse the flow and determine the vertical limits of the gas source.

Thank you for your cooperation.

Sincerely,

YATES PETROLEUM CORPORATION

  
Eddie M. Mahfood  
Petroleum Engineer

EMM:jg