

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



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

RECEIVED
SEP 24 1991
O. C. D.
ARTESIA OFFICE
S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
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SECRETARY
DENNIS G. KINSEY
TREASURER

September 23, 1991

State of New Mexico
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, NM 87501
ATTN: Mr. Michael Stogner

Dear Mr. Stogner,

Attached for your review is Form C-107 Application for Multiple Completion (with attachments) for the Winston AII #1 located in Unit E, Sec. 14, T19S, R24E, Eddy County.

The captioned well is currently completed in the Morrow from 8658' to 8710' and produces approximately 600 MCFD/0 BCPD/0 BWPD. Our intention is to test the Cisco from 6434' to 6537' and produce the Morrow up the 2 7/8" tubing and the Cisco up the 7" casing x 2 7/8" tubing annulus. We anticipate dry gas production from the Cisco. If the Cisco produces significant amounts of fluid, we will produce it up the 2 7/8" tubing and produce the Morrow up the 7" casing x 2 7/8" tubing annulus using a crossover packer assembly.

It is our desire to dually complete the Winston AII #1 in time for the winter upswing in the gas market. Please call me at (505) 748-1471 if you have any questions.

Sincerely,

Brian Collins
Engineer

BC/th

Attachments

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

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SEP 24 1991

O. C. D.
ARTESIA OFFICE

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Yates Petroleum Corporation

105 S. 4th Street

| Operator | Address |
|-------------|---|
| Winston AII | 1 E 14 19S 24E Eddy |
| Lease | Well No. Unit Ltr. - Sec - Twp - Rge County |

All applicants for multiple completion must complete Items 1 and 2 below.

| 1. The following facts are submitted: | Upper Zone | Intermediate Zone | Lower Zone |
|---|---|-------------------|---|
| a. Name of Pool and Formation | Undes. Penasco Draw Permo-Penn Cisco | | Boyd Morrow Morrow |
| b. Top and Bottom of Pay Section (Perforations) | 6434' - 6537' | | 8658' - 8710' |
| c. Type of production (Oil or Gas) | Gas | | Gas |
| d. Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing |
| e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls. | 1 BCPD est. 1,000 MCFD est. 0 BWPD est. | | 0 BCPD actual 600 MCFD actual 0 BWPD actual |

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- * Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- ** c. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

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

Signature

Brian Collins

Printed Name & Title

Brian Collins Engineer

Date

9-24-91

Telephone

505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Date:

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- 1) District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
 - 2) Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
 - 3) Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.
- * Yates Petroleum Corp. operates all leases offsetting the Winston AII #1.

** Electrical logs already filed with the NMOCD.

List of Attachments
Winston AII #1
C-107 Application

1. Plat showing offset wells. Please note that Yates Petroleum Corp. is the operator on all the offsetting leases.
2. Wellbore Schematic showing the "proposed" wellbore configuration.
3. Approval of Unorthodox location, Case No. 10203, Order No. R-9449.

E 14-19S-24E

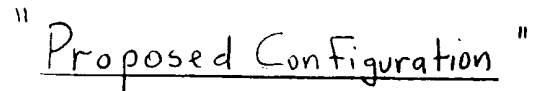
| Form C-107 | Application for Multiple Completion | Yates Petroleum Corp. | Winston AII #1 | E 14-19S-24E |
|------------|-------------------------------------|-----------------------|----------------|--------------|
| 1 | Yates Pet. | 2 | Yates Pet. | 3 |
| 4 | Yates Pet. | 5 | Yates Pet. | 6 |
| 7 | Yates Pet. | 8 | Yates Pet. | 9 |
| 10 | Yates Pet. | 11 | Yates Pet. | 12 |
| 13 | Yates Pet. | 14 | Yates Pet. | 15 |
| 16 | Yates Pet. | 17 | Yates Pet. | 18 |
| 19 | Yates Pet. | 20 | Yates Pet. | 21 |
| 22 | Yates Pet. | 23 | Yates Pet. | 24 |
| 25 | Yates Pet. | 26 | Yates Pet. | 27 |
| 28 | Yates Pet. | 29 | Yates Pet. | 30 |
| 31 | Yates Pet. | 32 | Yates Pet. | 33 |
| 34 | Yates Pet. | 35 | Yates Pet. | 36 |

FIELD AREA: Dagger Draw
Eddy, NM

KB: 3671 ' ORIG. DRLG./COMPL. DATE: 12/70

COMMENTS: _____

| SIZE/WT./GR./CONN. | DEPTH SET |
|--------------------|-----------|
| 7 3/8 36 J55 | 1215' |
| 7" 29 N80 | 108' |
| 26 N80 | 1353' |
| 23 N80 | 5794' |
| 26 N80 | 8932' |
| 29 N80 | 10850' |
| 27 1/8 6.5 N80 EUE | 8600' |



REVISED: Bryan Collins

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10203
ORDER NO. R-9449

APPLICATION OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 7, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of March, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location in both the Undesignated Peñasco Draw-Permo Pennsylvanian Gas and Boyd-Morrow Gas Pools for its existing Winston All Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico.

(3) The N/2 of said Section 14 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools.

(4) The subject well was permitted with the Artesia District Office of the Division and was approved in October 1990 as a wildcat Devonian oil test in which the location is standard for a 40-acre oil spacing and proration unit comprising the SW/4 NW/4 of said Section 14.

XC: Kathy Porter
Brian Collins 03/19/91

(5) The well was spudded on October 24, 1990 and a total depth of 10,850 feet was reached on December 20, 1990 whereby the Devonian zone tested uneconomical.

(6) Yates Petroleum Corporation now proposes to recomplete said well up-hole in both the Permo-Pennsylvanian and Morrow zones.

(7) The N/2 of said Section 14 is presently dedicated to the applicant's Routh NU Deep Com Well No. 2 located at a standard gas well location in the Boyd-Morrow Gas Pool 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 14; however, said well is depleted in the Morrow formation and will either be shut-in or converted to a salt water disposal well prior to the commencement of gas production from the subject Winston AII Well No. 1.

(8) The S/2 of said Section 14 is presently dedicated to the applicant's Allison CQ Federal Well No. 8 located at a previously approved unorthodox gas well location in the Boyd-Morrow Gas Pool 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 14 (Division Administrative Order NSL-1576).

(9) A well at this unorthodox location will better enable the applicant to produce the gas underlying the proration unit.

(10) No offset operator objected to the proposed unorthodox location.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox gas well location in both the Undesignated Peñasco Draw-Permo Pennsylvanian Gas Pool and Boyd-Morrow Gas Pool is hereby approved for its existing Winston AII Well No. 1 to be located 1980 feet from the North line and 660 feet from the West line of Section 14, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico.

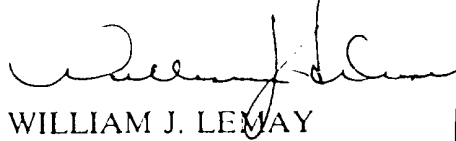
(2) The N/2 of said Section 14 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pools.

Case No. 10203
Order No. R-9449
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(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L