



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2825

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

Attention: Mr. Albert R. Stall



South Avalon "AUA" Com No. 1
API No. 30-015-31001
Unit D, Section 23, Township 21 South, Range 26 East, NMPM,
Eddy County, New Mexico
Undesignated Avalon-Strawn (Gas - 71080),
Crozier Bluff-Atoka (Gas - 75730) and
Undesignated Avalon-Morrow (Gas - 70920) Pools

Dear Mr. Stall:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

The applicant shall consult with the supervisor of the Artesia District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Artesia District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

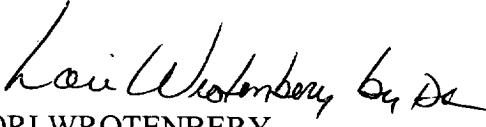
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REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 22nd day of September, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Artesia /
Bureau of Land Management-Carlsbad

FIELD REPORT FOR CEMENTING OF WELLS

OIL CONSERVATION DIVISION

30-015-31001

Operator <u>Yates Petroleum Corp</u>		Lease <u>South Avalon AUA Com</u>		Well # <u>1</u>	
Location of Well	Unit <u>D</u>	Section <u>23</u>	Township <u>21</u>	Range <u>26</u>	County <u>Eddy</u>
Drilling Contractor <u>NA</u>			Type of Equipment <u>Rotary</u>		

APPROVED CASING PROGRAM

Expires 3/9/01

* Witness 8 5/8 min W.O.C. 18 Hours

Size of Hole	Size of Casing	Weight per Ft	New or Used	Depth	Sacks Cement
<u>17 1/2</u>	<u>13 3/8</u>	<u>48 #</u>		<u>600'</u>	<u>500 Surf</u>
<u>12 1/4</u>	* <u>8 5/8</u>	<u>24 #</u>		<u>2200'</u>	<u>1200 Surf</u>
<u>7 7/8</u>	<u>5 1/2</u>	<u>17 #</u>		<u>11,300</u>	<u>400 TOC-8100'</u>

Casing Data:

Surface _____ joints of _____ inch _____ # Grade _____

(Approved) (Rejected)

Inspected by _____ date _____

Cementing Program

Size of hole 12 1/4 Size of Casing 4 5/8 Sacks cement required _____

Type of Shoe used _____ Float collar used _____ Btm 3 jts welded _____

TD of hole 2150' Set 2152' Feet of 4 5/8 Inch _____ # Grade _____New-used csg. @ _____ with 200 sacks neat cement around shoe+ 200/750 sack CLASS H / 35:65:6 additives GILSONITE CEROFLAKE

Plug down @ _____ (AM) (PM) Date _____

Cement circulated _____ No. of Sacks _____

Cemented by B.J. SERVICES Witnessed by _____

Temp. Survey ran @ _____ (AM) (PM) Date _____ top cement @ _____

Casing test @ _____ (AM) (PM) Date _____

Method Used _____ Witnessed by _____

Checked for shut off @ _____ (AM) (PM) Date _____

Method used _____ Witnessed by _____

Remarks: _____