

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

NSL 7/19/00

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 27, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508

CERTIFIED MAIL
Return Receipt Requested

RE: Application for Unorthodox Location
Arreguy AVM #1
Wildcat Mississippian Pool
Section 25, T15S, R34E
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Mississippian gas well, the Arreguy AVM #1. The proposed well is located on fee minerals, 810' FNL and 510' FEL of Section 25, Township 15 South, Range 34 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was originally drilled in 1987 by Sun Exploration & Production to an original TD of 12,050' and subsequently plugged and abandoned as a dry hole. We will re-enter the existing wellbore and deepen to a total depth of 13,300'. Our proposed re-entry and deepening program is set out on the enclosed C-101.

Yates concludes that it is economically more feasible to re-enter this existing well than it would be to drill a top to bottom well and therefore would also be in the best interest of conservation.

Yates Petroleum Corporation and its partner, David Petroleum Corporation, are the leasehold owners in the spacing units to the east towards which the unorthodox location encroaches and therefore no notification has been given.

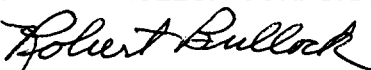
Enclosed are Forms C-101, C-102, and a land plat.

Please call me at (505) 748-4351 if you need further information.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Robert Bullock
Landman

RB:bn
enclosure(s)

Rob

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30 - 025-29998
⁴ Property Code	⁵ Property Name Arreguy "Avm"	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	15S	34E		810'	North	510'	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Wildcat Mississippian						¹⁰ Proposed Pool 2			

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 4035.5'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,300'	¹⁸ Formation Mississippian	¹⁹ Contractor Not determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.7#	519'	525 sx	In Place
12 1/4", 11"	8 5/8"	32 & 24 #	4800'	2600 sx	In Place
7 7/8"	5 1/2"	17#	11340'	1100 sx	In Place
4 3/4"	3 1/2"	8.81#	13300'	1000 sx	Circulated

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary. Yates Petroleum Corporation plans to re-enter with a pulling unit, drill out plugs to the 5 1/2" casing stub at 4350', run 5 1/2" 17 lb/ft K-555 casing, splice and cement casing with approximately 500 sacks of class C. The splice will be inside the 8 5/8" casing. We'll then drill out splice pressure test casing, drill out remaining plugs to 5 1/2" casing shoe at 8516'. At this point the pulling unit will be replaced with a drilling rig. Cement plugs will be drilled out with a 4 3/4" bit to original TD of 12,050'. From here the well will be deepened with 4 3/4" bit to 13,300'. The new hole will be logged and if warranted 3 1/2" liner will be run and cemented from TD to 9500'. The well will then be perforated, acidized and fraced as needed to obtain production from the Morrow or shallower intervals.

²³ I hereby certify that the information given above is true and complete to the best of

my knowledge and belief.

Signature:

Ken Beardemph

Printed name: Ken Beardemph

Title: Landman

Date:

June 27, 2000

Phone:

505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-29998		Pool Code	Pool Name Wildcat Mississippian	
Property Code	Property Name Arreguy "AVM"			Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation			Elevation 4035.5'

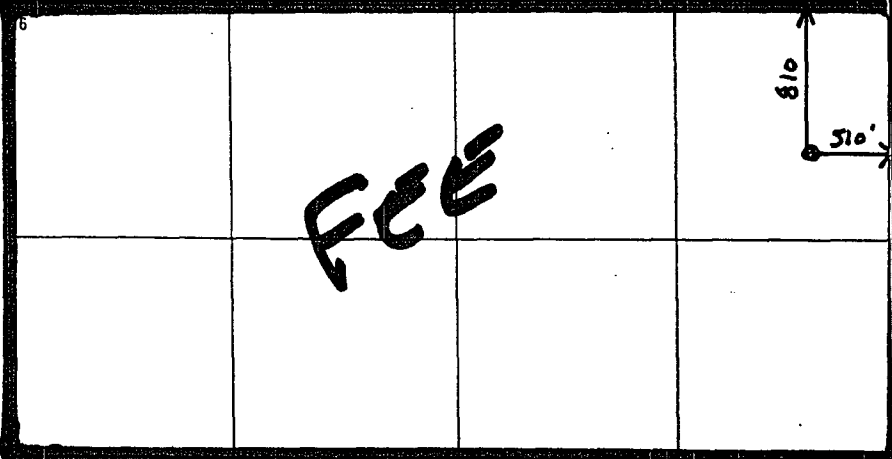
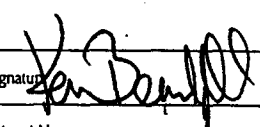
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	15S	34E		810'	North	510'	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature:  Printed Name: Ken Beardemphl Title: Landman Date: June 27, 2000	
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Certificate Number:	

**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 Sun Exploration & Production Co.			Lease Arreguy 25		Well No. 1
Unit Letter A	Section 25	Township 15 South	Range 34 East	County Lea	
Actual Footage Location of Well:					
810 feet from the North line and		510 feet from the East line			
Ground Level Elev. 4035.5	Producing Formation Straw	Pool Wildcat	Dedicated Acreage 40 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 _____

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.
<i>Maria L. Perez</i> Name Maria L. Perez 3
Position Accounting Associate
Company Sun Expl. & Prod. Co.
Date 8-7-87
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
Date Surveyed August 5, 1987
Registered Professional Engineer and/or Land Surveyor <i>Ronald J. Eiden</i> Ronald J. Eiden
Certificate No. JOHN W. WEST, 876

ABREGUY No. 1

TOWNSEND NORTH CAI

ON OCTOBER 19, 1987

☐ PRESENT COMPLETION

☐ SUGGESTED COMPLETION

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

13 3/8", SA.5#, K-55,
ST+C CSH. CS ± 519.
CMT'D W/ 525 SLS 'C'.
CIRC 59 SLS TO SURF.

56 yds (S-80) 56 yds (K-55)
8 7/8", 32 + 24#, S-80
+ K-55, ST+C CSH.
CS ± 4800. CMT'D W/
2300 SLS PRESETTER
LITE + 300 SLS 'C'. CIRC
300 SLS TO SURFACE.

TOC ± 4400 VIA TEMP SURVEY

5 1/2", 17#, K-55 + N-80,
BUTT. + LT+C PRODUCTION
CSH. CS ± 11340, FC ± 11267
SC ± 8516. 1ST STAGE CMT'D
W/ 1100 SLS 'H' 50:50 POZ.
OPEN SC, DID NOT CIRC CMT.
2ND STAGE CMT'D W/ 1100
SLS 'C' 50:50 POZ. DID
NOT CIRC CMT. TOC ±
4400 VIA TEMP SURVEY.
Marker set @ 11016

SC: 8516
CS: 11340

ORIGINAL TD @ 12050

KB: 4056.5
GL: 4035.5

5 1/2" casing spliced
& cemented @ 4350'

Stage collar @ 8516

Good not circ. Cmt off stage collar

TOC @ 10135'

1-7-89 added Perf 10250-60

11-1-87 Perf 11200-25, 240-264; IP 367
BOFD + 469 MCF + 66 BW

← 4 3/4" hole

3 1/2" Liner 8.81 lb/ft L-80
Set @ 13,300'
w/ 1000 SLS (circulated)

TD 13,300'

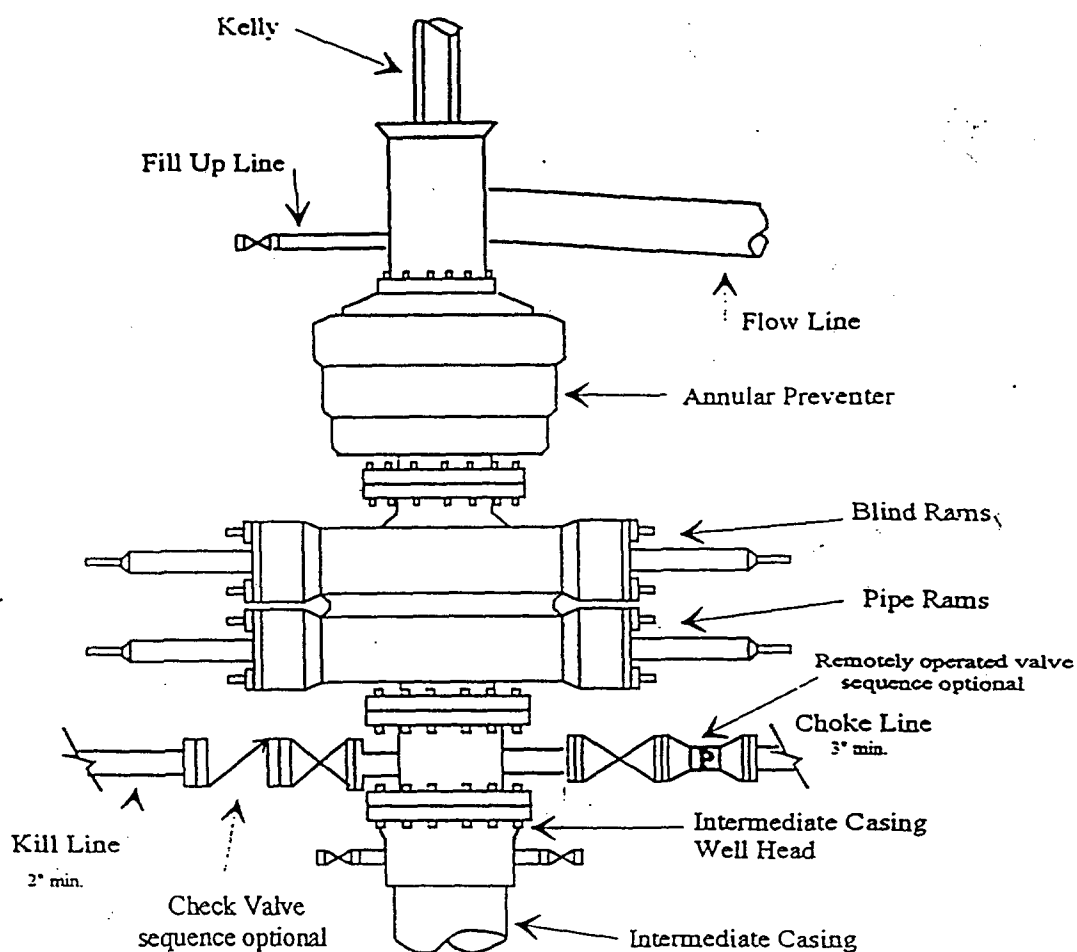
AFTER



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

