



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



January 5, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

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

Attention: Janet Richardson

Administrative Order DD-73(NSBHL)

Dear Ms. Richardson:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and unorthodox gas well locations (104.F) and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on November 25, 1992, for authorization to directionally drill its proposed Amaranth "AMG" Federal Com Well No. 1, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) and 104.F(3) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 either have been or will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111.F, 104.F(3), and/or R-111-P, Rule G(3).

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Amaranth "AMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of

Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico by kicking off from the vertical and drilling in such a manner as to bottom in the Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of Section 12, being an unorthodox gas well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

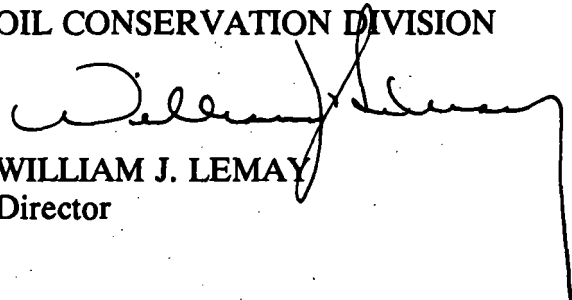
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the Morrow formation.

(5) 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

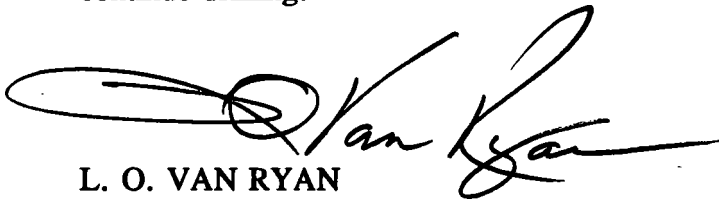
cc: Oil Conservation Division - Artesia
U.S. BLM - Carlsbad
File Case No: 10643
William F. Carr - Santa Fe

MEMO TO FILE DD-73 (NSBHL)

Date: 4-23-93

Bill Carr, Attorney for Yates Petroleum Corp. called this date to advise that the subject well was being drilled at this time. Information indicated that the proposed BHL should be changed from the one originally approved. The new BHL will also be non-standard in the Morrow formation but will only be closer to Yates' acreage.

They were asking for verbal approval to change the BHL. Given that the rig was on location drilling and the fact that they were offsetting themselves, I gave them verbal approval to continue drilling.



L. O. VAN RYAN

dr/

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNORANITA LOCKWOOD
CABINET SECRETARY

November 22, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800Enron Oil and Gas Company
P.O. Box 2267
Midland, TX 79702Yates Petroleum Corporation
105 South Fourth Street
Aftersia, NM 88210Attention: ~~Betty Gildon~~ Janet RichardsonDear Ms. ~~Gildon~~ Richardson

and unorthodox gas well locations (104.F(3))

Administrative Order DD-~~7~~ 73

(NSBHL)

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (e)] and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, ~~Enron Oil and Gas Company~~ made application to the New Mexico Oil Conservation Division on October 27, 1992, for authorization to directionally drill its proposed James Ranch Unit Well No. 13, Eddy County, New Mexico.

Amaranth "AMB" Federal Conn

November 25, 1

Yates Petroleum Corporation

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111. ~~Neither have been or~~ 104.F(3), and 10-R-111-P, Rule G.(3).
- (5) A signed waiver from one potash lessee has been submitted by Western Ag-Minerals Company and the other leases have not responded within the required twenty-day period (R-111-P, Rule G.(3)).

It appears adequate notice to the appropriate parties

[illegible]

May 21, 1991

Attention: _____

Administrative Order DD-_____

Dear _____:

Under the provisions of General Rule 111 (c), (d) and (e), _____
made application to the New Mexico Oil Conservation Division on
_____, for authorization to directionally drill its proposed
_____, _____ County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation is hereby authorized to directionally drill its Ammonia "DMG" Federal Com Well No. 1, the surface location of which shall be 1310 feet from the North line and 2630 feet from the East line (Unit B) of Section 12, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical at a depth of approximately feet, and drilling in such a manner as to bottom in the at a standard well location within the of said Section forming a standard -acre spacing and proration unit for said pool.

Morrow formation within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line of ^(Unit F) Section 12, being a standard 411 Unit Shadow Gas well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artura district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Alamogordo offices of the Division upon completion.

Administrative Order DD-
May 21, 1991
Page No. 3

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre acre spacing and proration unit for the ~~subject pool~~. Morrow formation.

(5) 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

SEAL

cc: Oil Conservation Division - Artesia

USBRM - Carlsburg

Case File: 10843

William F Carr - Artesia

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



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

OIL CONSERVATION DIVISION
RECEIVED
92 DEC 18 AM 9:20
S. P. YATES
CHAIRMAN OF THE BOARD
J. A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 16, 1992

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Michael E. Stogner

Re: Administrative Application for Directional
Drilling - Amaranth 'AMG' Federal Com.
Well No. 1, W/2 of Sec. 12, T20S-R30E
Eddy County, New Mexico

Dear Mr. Stogner:

Per your letter of December 10, 1992, enclosed is a copy of the federal Application for Permit to Drill the Amaranth 'AMG' Fed. Com. #1 well.

The requested bottom-hole location of the Amaranth 'AMG' Fed. Com. #1 well is unorthodox due to the trajectory calculated to drill orthodox locations in the Strawn and Morrow formations.

If you need any further information, please let me know.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
Landman

JR/rab
enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT CONSERVATION DIVISION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> '92 DE: 18 AM 9 20 PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-54298
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210			8. FARM OR LEASE NAME Amaranth "AMG" Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1310' FNL and 2630' FEL At proposed prod. zone 2449' FNL and 1512' FWL			9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 25 miles NE of Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Wildcat Morrow
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1512'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 12-T20S-R30E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			12. COUNTY OR PARISH Eddy
16. NO. OF ACRES IN LEASE 280			13. STATE NM
19. PROPOSED DEPTH 12,600'			17. NO. OF ACRES ASSIGNED TO THIS WELL 320
20. ROTARY OR CABLE TOOLS Rotary			22. APPROX. DATE WORK WILL START* ASAP
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3322' GR			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	94# J-55	425'	375 sacks - circulated
17 1/2"	13 3/8"	54.5# J-55	1550'	925 sacks - circulated
12 1/4"	8 5/8"	32# J-55	3100'	700 sacks - circulated
7 7/8"	5 1/2"	17# N-80	TD	600 sacks circulate to 9800'

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 425' of surface casing will be set and cement circulated to shut off gravel and cavings. Intermediate casing will be set to 1550' and circulated and to 3100' and circulated. If commercial, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel, paper to 425'; Brine to 1550'; FW to 3200'; Cut Brine to 9700'; Brine to 10,600; XCD Drispak, Starch to TD.

BOP PROGRAM: BOP's and hydril will be installed on the 8 5/8" casing and tested daily.

GAS NOT DEDICATED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ken Bunsen TITLE Landman DATE 12-11-92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

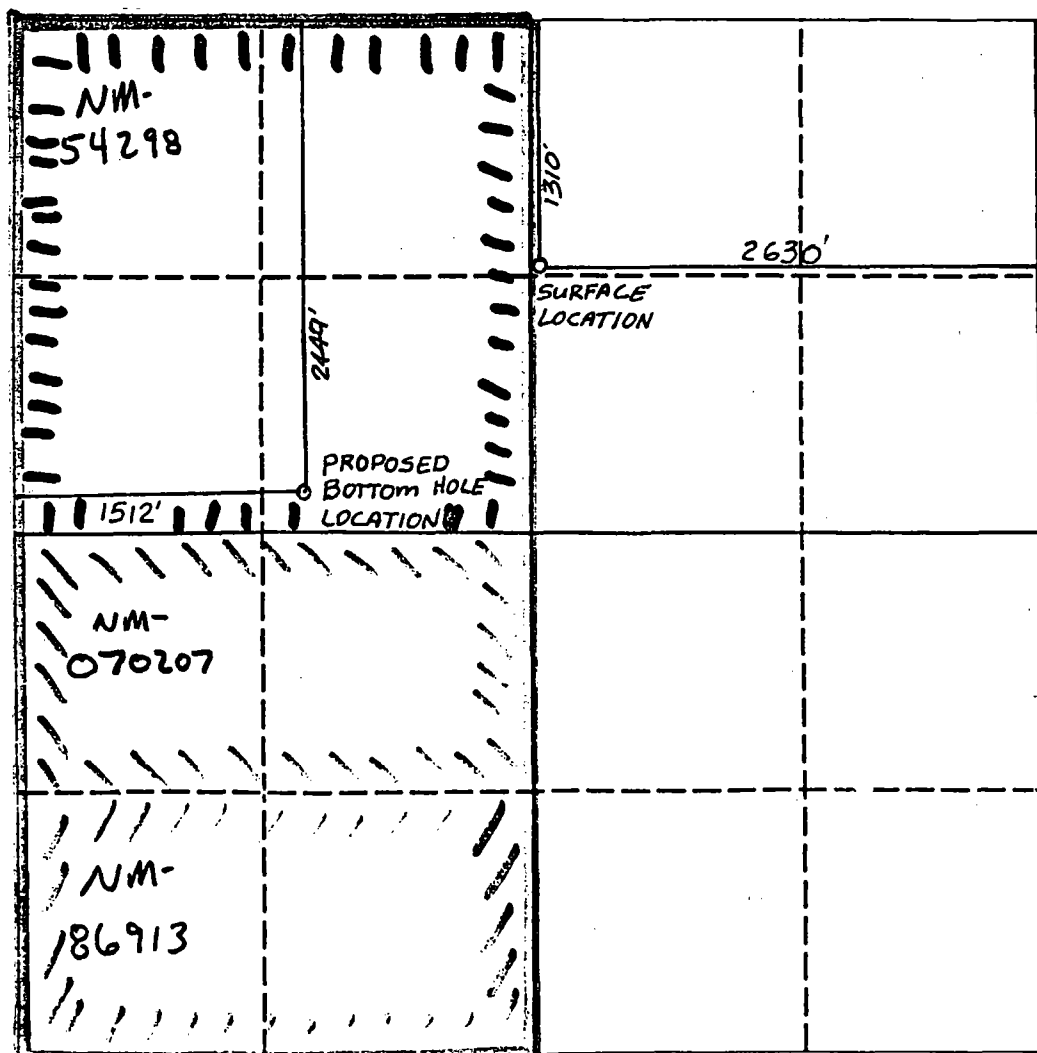
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease AMARANTH AMG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and		2630 feet from the EAST line			
Ground level Elev. 3322.	Producing Formation Morrow		Pool Wildcat Morrow	Dedicated Acreage: 320 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation Communitization
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ken Beardsmph
Printed Name
Ken Beardsmph
Position
Landman
Company
Yates Pet. Corp.
Date
11-30-92

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 knowledge and belief.

Date Surveyed

NOVEMBER 20, 1992

Signature & Seal of
Professional Surveyor
[Signature]
Certificate No. **5412**
NEW MEXICO
REGISTERED PROFESSIONAL ENGINEER
NM PE&S 5412

YATES PETROLEUM CORPORATION
Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico
DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Rustler Anhydrite	300'
Salado	600'
Tansill	1,515'
Yates	1,640'
Delaware	4,185'
Bone Spring	6,645'
KOP	8,050'
3rd BS Sandstone TVD	9,465'
MD	9,500'
Wolfcamp lime TVD	10,072'
MD	10,150'
Upper Strawn Marker TVD	10,970'
MD	11,125'
Strawn TVD	11,035'
MD	11,200'
Atoka lime TVD	11,495'
MD	11,700'
Morrow Clastics TVD	11,945'
MD	12,185'
Lower Morrow TVD	12,270'
MD	12,550'
Austin Cycle TVD	12,450'
MD	12,730'
PTVD TD	12,600'
MD TD	12,900'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water: Approximately 350'
Gas: All potential zones

3. PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

A. The Blow-Out Preventor will be equipped as follows:

1. One (1) blind ram
2. One (1) pipe ram
3. Kill line (3-inch minimum)
4. One (1) kill line valve (3-inch minimum)
5. One (1) choke line valve
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available
8. Safety valves & subs to fill all drill strings in use
9. 3-inch (minimum) choke line
10. Fill-up line above the upper most preventor

B. Pressure Rating: 3,000 PSI

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
26"	20"	94#	J-55	8R	ST&C	0 - 425'	425'
17 1/2"	13 3/8"	54.5#	J-55	8R	ST&C	0 - 350'	350'
12 1/4"	9 5/8"	36#	J-55	8R	ST&C	0 - 2650'	2650'
7 7/8"	5 1/2"	17#	N-80	8R	LT&C	0 - TD	13,100'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
2. 8 5/8" casing to be set if lost circulation is encountered.

B. CEMENTING PROGRAM:

Surface Casing: Lead slurry 375 sx Lite "C" 1/4# Cellocel + 2% CaCl₂ with weight of 12.4 ppg and Yield 1.87 cu.ft./sx. Circulate to surface.

Intermediate Casing on 3 3/8" casing: Lead slurry 925 sx Lite "C" with 1/4# Cellocel, 10# salt with weight of 12.4 ppg and Yield of 2.03 cu.ft./sx tail with 200 sx "Class C" with 2% CaCl₂ on 8 5/8" casing lead slurry 700 sx "Lite C" with 1/4# Cellocel, 5# Gilonite, 2% CaCl₂ with weight of 12.4 ppg and Yield of 1.97 cu.ft./sx tail slurry 200 sx "c" with 1% CaCl₂.

Production Casing: Will be cemented in 3 stages as follows:

Cement Program: Lead Slurry 600 sacks "h" with 8# CSE .89. CF-14, .35% LWL, .35% Thrifty lite. Cement calculated to 9800'. Weight of 14.0 ppg and yield of 1.59 cu.ft./sack. D.V. Tool at approximately 9800'.

2nd stage: D.V. Tool at approximately 6400'. Lead Slurry 525 sacks "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 200 sx Class "H" w/7% CF-14 with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 6400'.

3rd stage: Lead Slurry 600 sx "Lite H" with 1/4# cellocel, .5% CF-14 with weight of 13.0 ppg and yield of 1.97 cu.ft./sx. Tail slurry 100 sx "H" neat with weight of 15.6 ppg and yield of 1.18 cu.ft./sx. Cement calculated to 3400'. (500' tie back to 8 5/8" casing.)

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbon zones are cemented off. Fill-up to be determined from logs.

5. MUD PROGRAM:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 - 425'	FW gel/paper	9.0	34	N/C
425' - 1550'	Brine	10.0	28	N/C
1550' - 3200'	FW	8.4	28	N/C
3200' - 9700'	Cut Brine	8.7	28	N/C
9700' - 10,600'	Brine	10.0	28	N/C
10,600' - TD	XCD, Drispak, Starch	9.5	33	12 CC

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations. Mud will be checked tourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: Every 10' out from under surface casing.

Logging: CNL/LDT - TD to casing with CNL/GR 5" to surface; DLL/MSFL, TD to casing; LSS, TD to surface; possible intermediate logs 4000' to 1550' - CNL/LDT, DLL/MSFL.

Coring: As warranted.

DST's: As warranted

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H2S anticipated.

8. ANTICIPATED STARTING DATES

Plans are to drill this well before the end of the year. It should take approximately 55 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

**Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 25 miles northeast of Carlsbad, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad on Highway 62-180 for approximately 15 miles to Bluestem Road (360). Then Approximately 5 miles to Shugart Road (222) and turn south on caliche road approximately 3 miles. Follow caliche road approximately .8 of a mile to a two tract road going to the west. New road starts here following the two tract road most of the way to location.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 9300' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northeast to southwest direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both side. Some traffic turnout will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. A local water trucking firm will be contracted to furnish the water. They will provide the water obtaining it from whatever sources available to them at their discretion. It will be trucked to the location over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. The dirt contractor will get the caliche from the closest source to well and take care of payment to owner.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level when dry.

11. SURFACE OWNERSHIP: Bureau of Land Management, Carlsbad, New Mexico

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

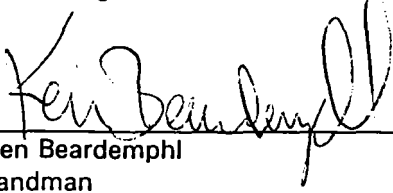
- | | |
|--|--|
| A. Through A.P.D. Approval: | B. Through Drilling Operations,
Completions and Production: |
| Ken Beardemphl, Landman
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |

14. CERTIFICATION:

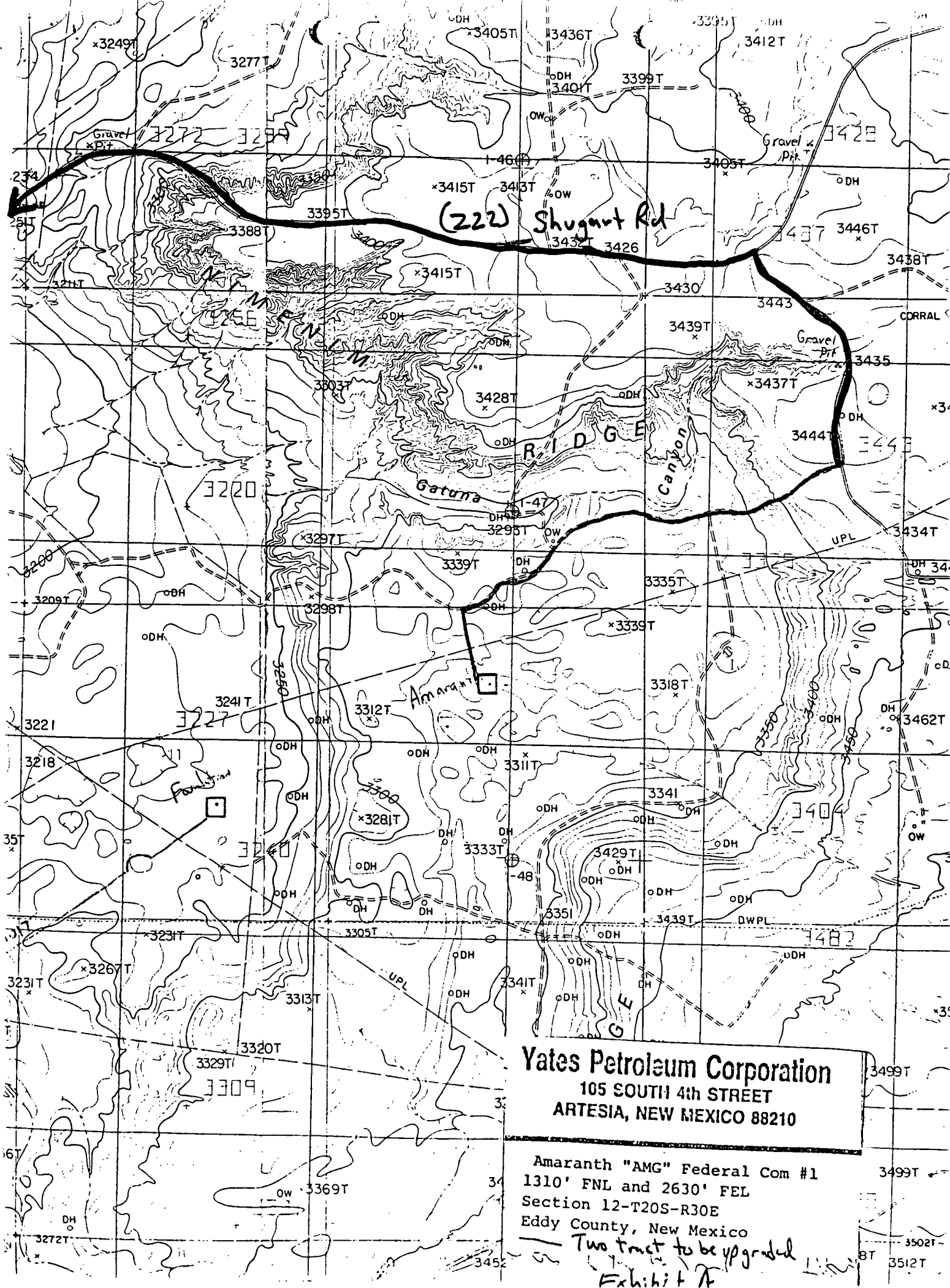
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

12-14-92

Date



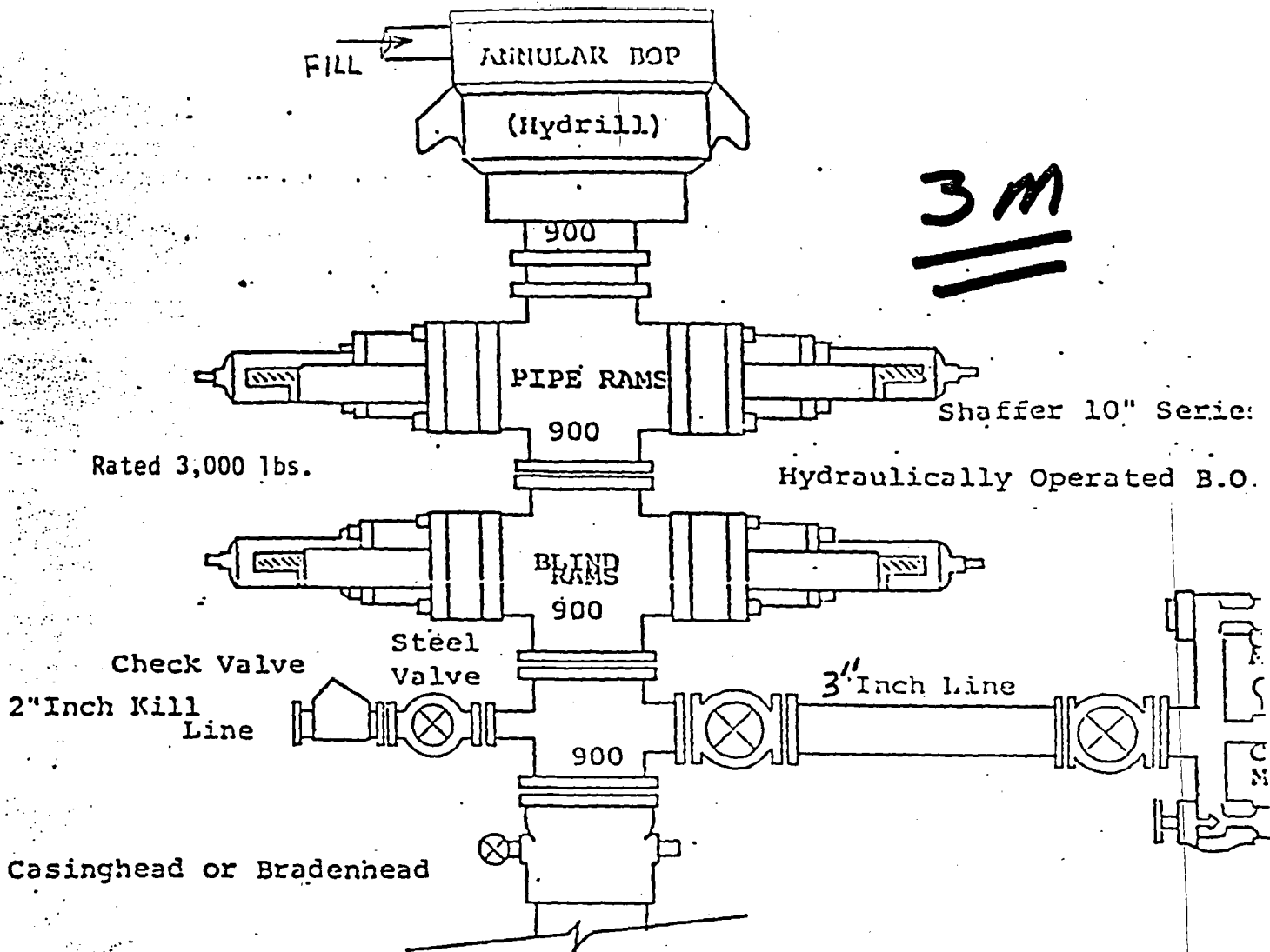
Ken Beardemphl
Landman



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL
Section 12-T20S-R30E
Eddy County, New Mexico

Two tract to be upgraded
Exhibit A

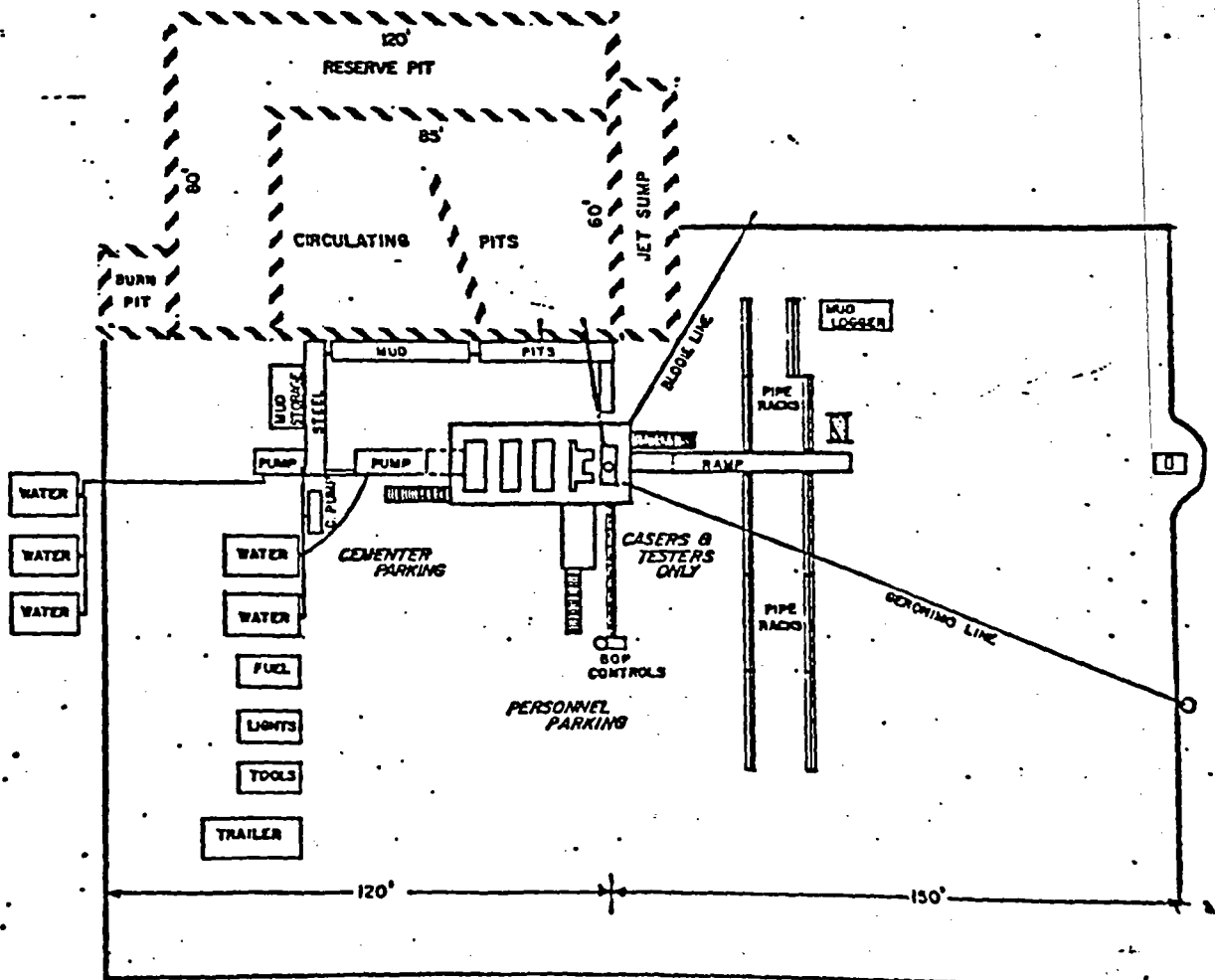


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual c installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all st hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of t required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equ to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT
B

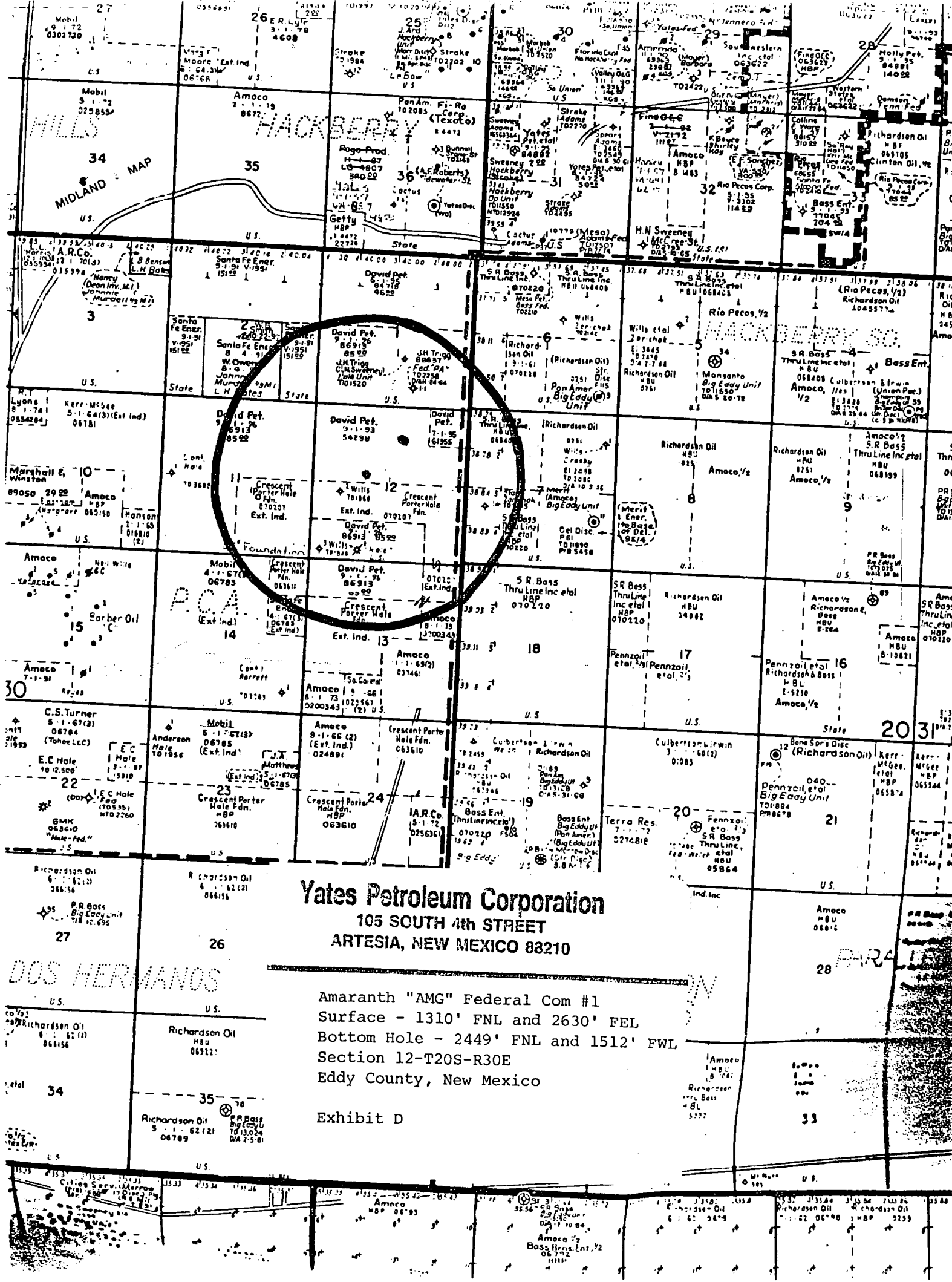
YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT

Scale: 1 inch = 50 feet

Exhibit C



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Amaranth "AMG" Federal Com #1
Surface - 1310' FNL and 2630' FEL
Bottom Hole - 2449' FNL and 1512' FWL
Section 12-T20S-R30E
Eddy County, New Mexico

Exhibit D



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 11, 1992

Yates Petroleum Corporation
c/o William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

*RE: Case No. 10643. Application of Yates
Petroleum Corporation for Directional
Drilling, Eddy County, New Mexico.*

Dear Mr. Carr:

The subject application will be re-advertised for the January 7, 1993 Examiner Hearing to cover the unorthodox bottom-hole location for the proposed Amaranth "AMG" Federal Com Well No. 1, (see General Rule 104.D(1)(a)). I apologize this was not corrected when the original application was received.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer

MES/amg

cc: Case File: 10643



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 10, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Company
105 South Fourth Street
Artesia, NM 88210

Attention: Janet Richardson

**RE: *Administrative Application for Directional Drilling -
Amaranth "AMG" Federal Com Well No. 1, W/2
of Section 12, Township 20 South, Range 30 East,
NMPM, Eddy County.***

Dear Ms. Richardson:

So that I may process the subject application accordingly, please submit a copy of the Federal APD form for this well. Also, since the requested bottom-hole location is unorthodox, pursuant to General Rule 104.B(1)(a), please provide me a detailed explanation so that this issue can be addressed in the same order.

Should you have any questions or comments pertaining to this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: William F. Carr - Santa Fe
File: Case No. 10643

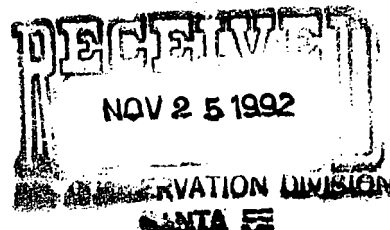
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

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

November 23, 1992



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally
Drill the Yates Petroleum Corporation Amaranth
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool,
Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Janet Richardson".

Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

SURFACE OWNER:

Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
5th Floor
Midland, Texas 79701

Amoco Production Co.
P. O. Box 3092
Houston, Texas 77253

Scope, Ind.
E. A. Culbertson
Wallace W. Irwin
P. O. Box 1071
Midland, Texas 79701

David Petroleum Corporation
116 West First
Roswell, New Mexico 88201

Crescent Porter Hale Foundation
c/o Ballard Exploration Company, Inc.
1705 First City National Bank Building
1021 Main Street
Houston, Texas 77002

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

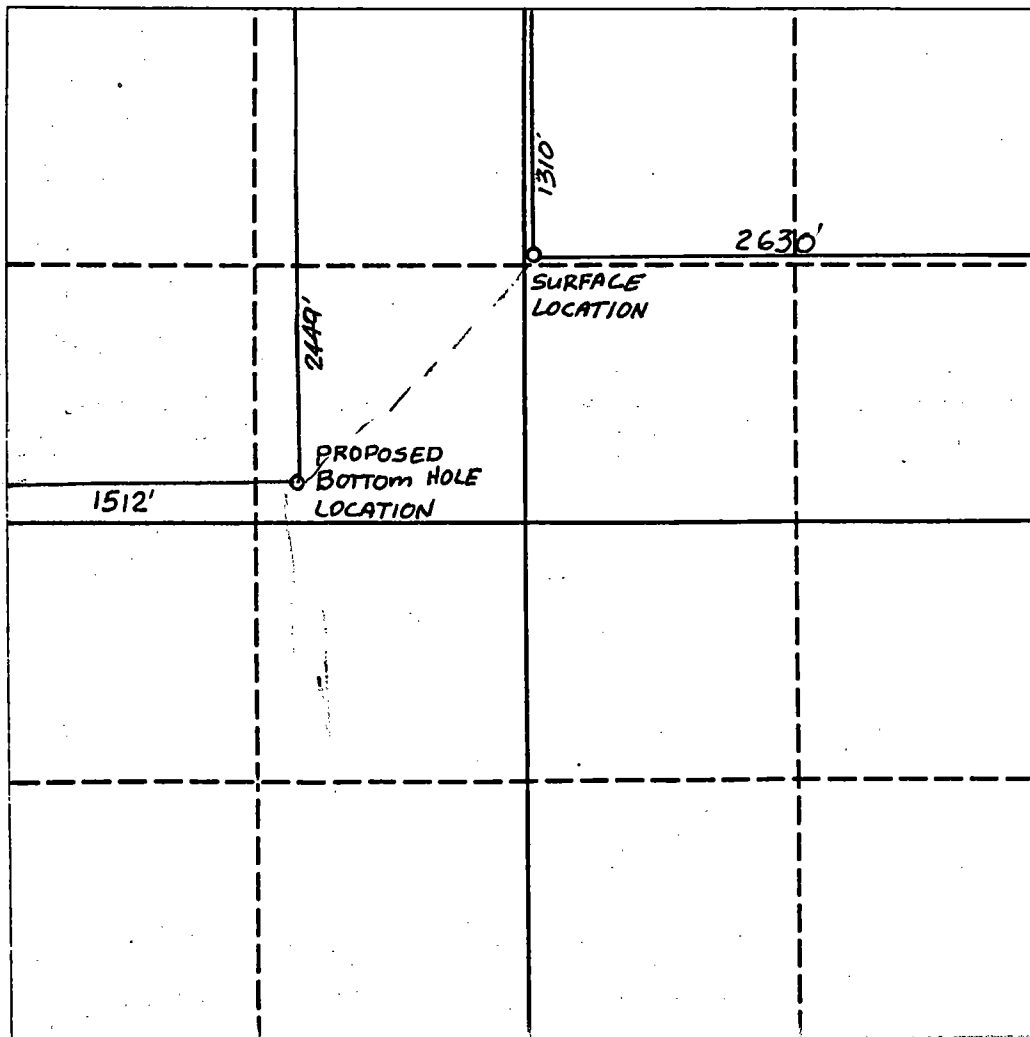
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and 2630 feet from the EAST line					
Ground level Elev. 3322.	Producing Formation		Pool	Dedicated Acreage: 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 interest 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 interest, has been approved by the Division.



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

Position

Company

Date

SURVEYOR CERTIFICATION

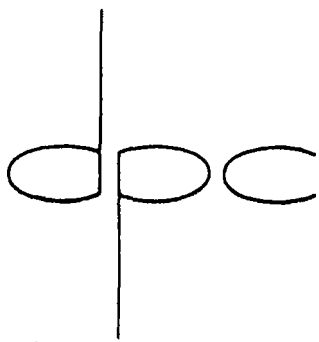
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

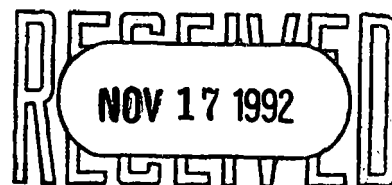
NOVEMBER 20, 1992

Signature & Seal of
Professional Surveyor





October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:


As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-111-P provides that a deep well shall be drilled no closer than one-half ($\frac{1}{2}$) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

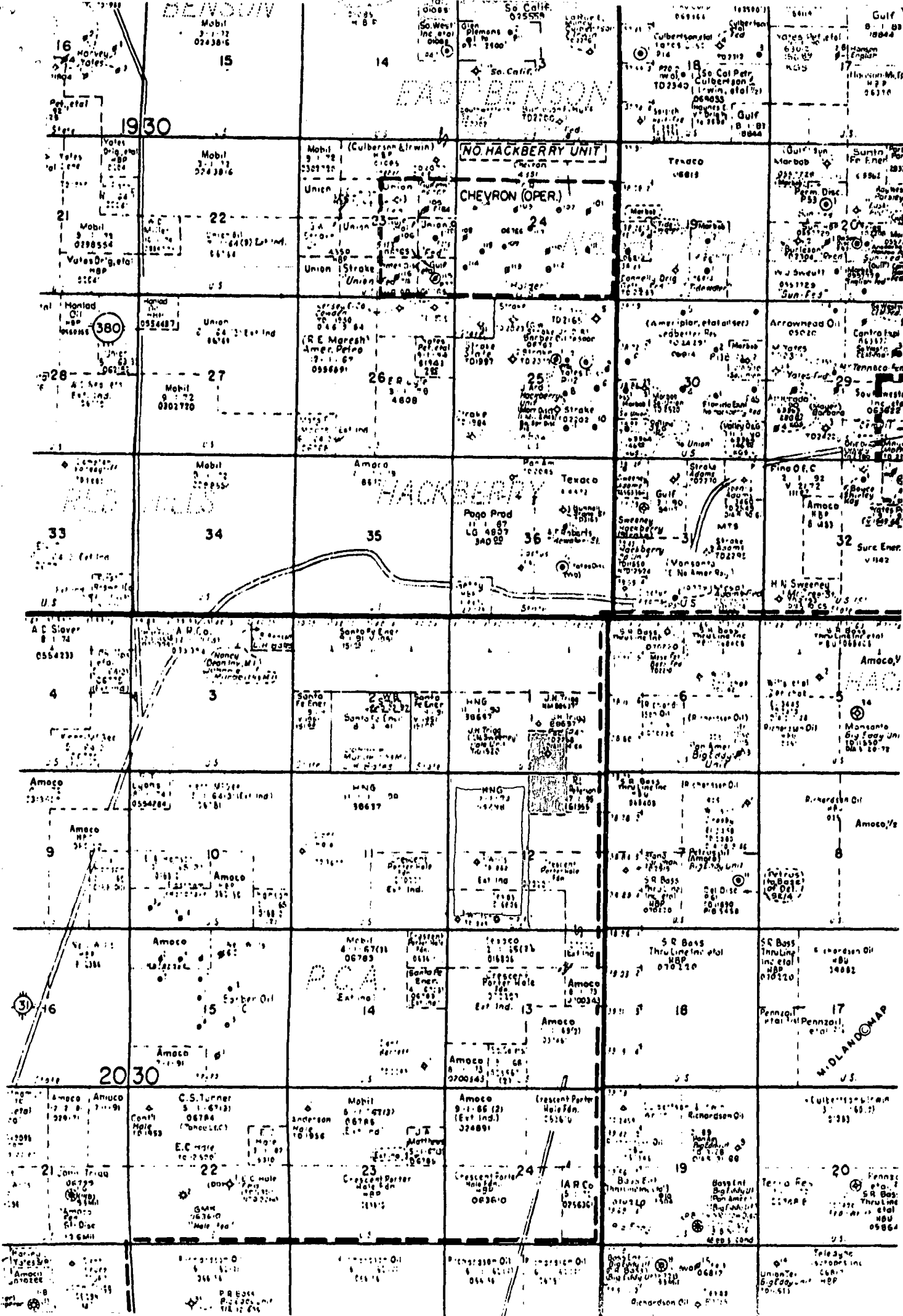

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: 
Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201



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

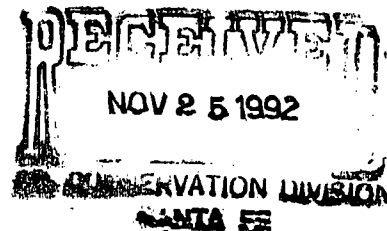


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

November 23, 1992

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally
Drill the Yates Petroleum Corporation Amaranth
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool,
Undesignated Morrow Pool, Eddy County, New Mexico

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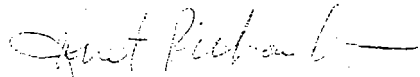
Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,



Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

SURFACE OWNER:

Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
5th Floor
Midland, Texas 79701

Amoco Production Co.
P. O. Box 3092
Houston, Texas 77253

Scope, Ind.
E. A. Culbertson
Wallace W. Irwin
P. O. Box 1071
Midland, Texas 79701

David Petroleum Corporation
116 West First
Roswell, New Mexico 88201

Crescent Porter Hale Foundation
c/o Ballard Exploration Company, Inc.
1705 First City National Bank Building
1021 Main Street
Houston, Texas 77002

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

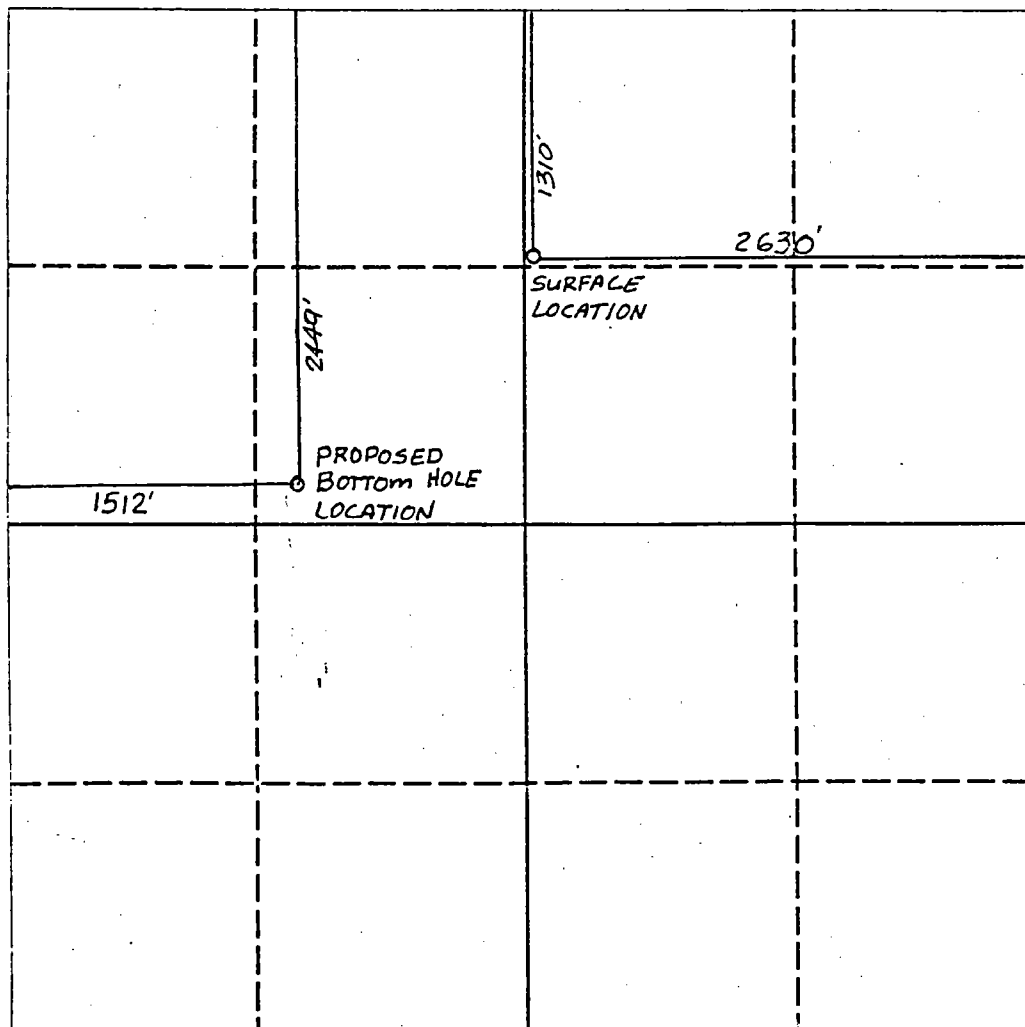
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1000 Rio Brazos Rd., Aztec, NM 87410

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Printed Name

Position

Company

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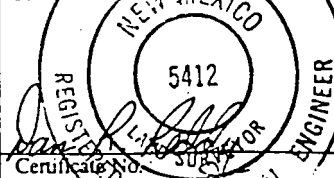
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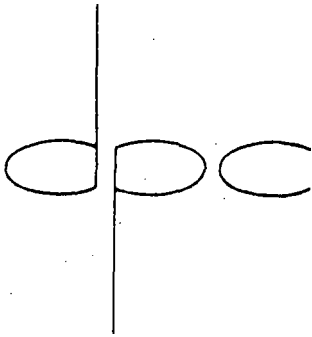
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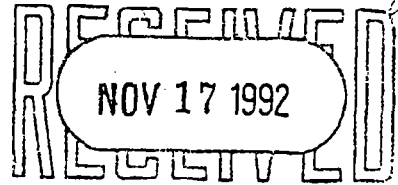
NOVEMBER 20, 1992

Signature & Seal of
Professional Surveyor





October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

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Bill Owen

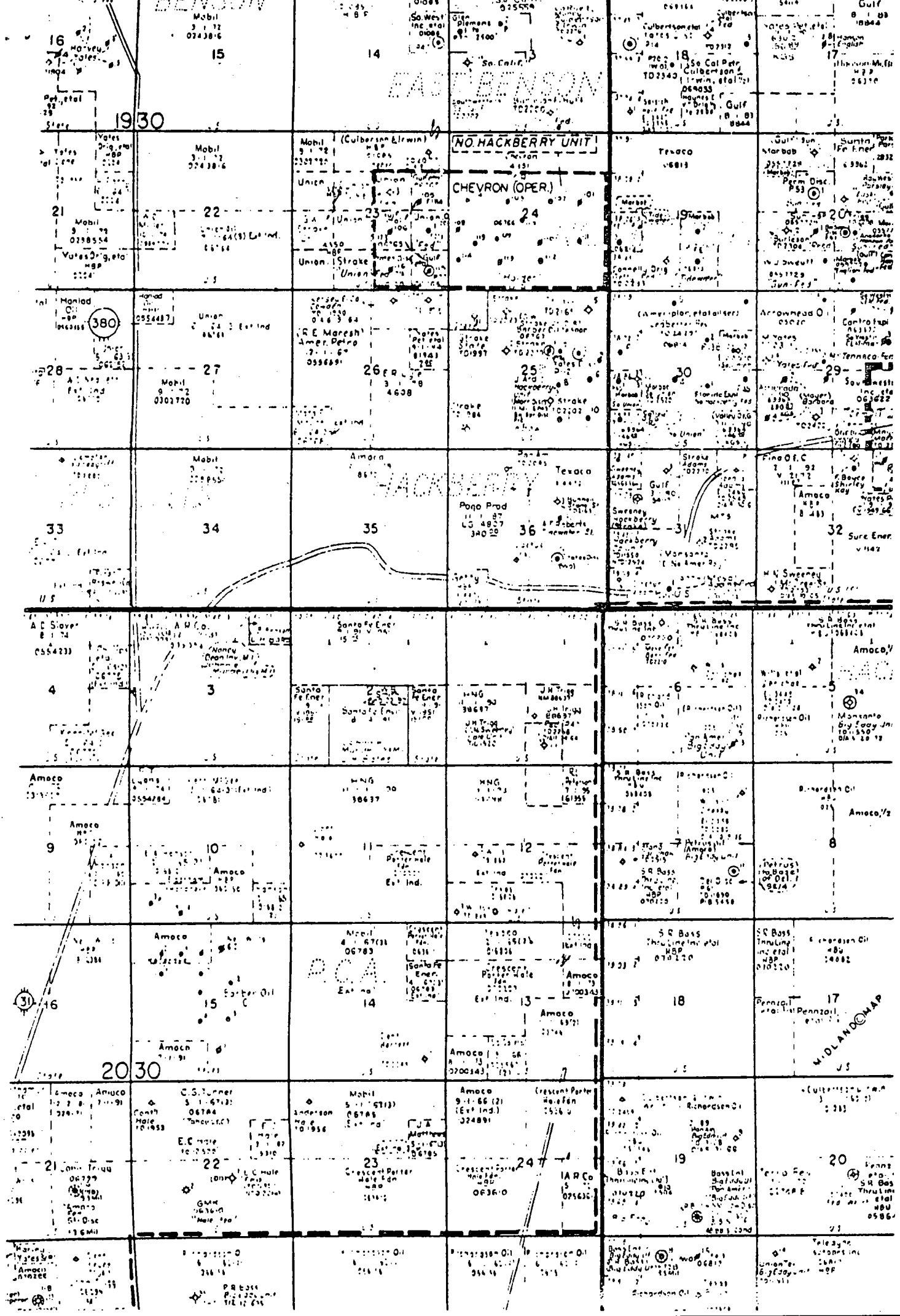
Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: Randy Foote

Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201



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

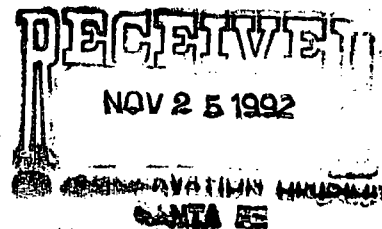


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
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Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



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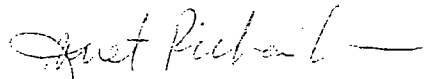
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Very truly yours,

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Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

DISTRICT I
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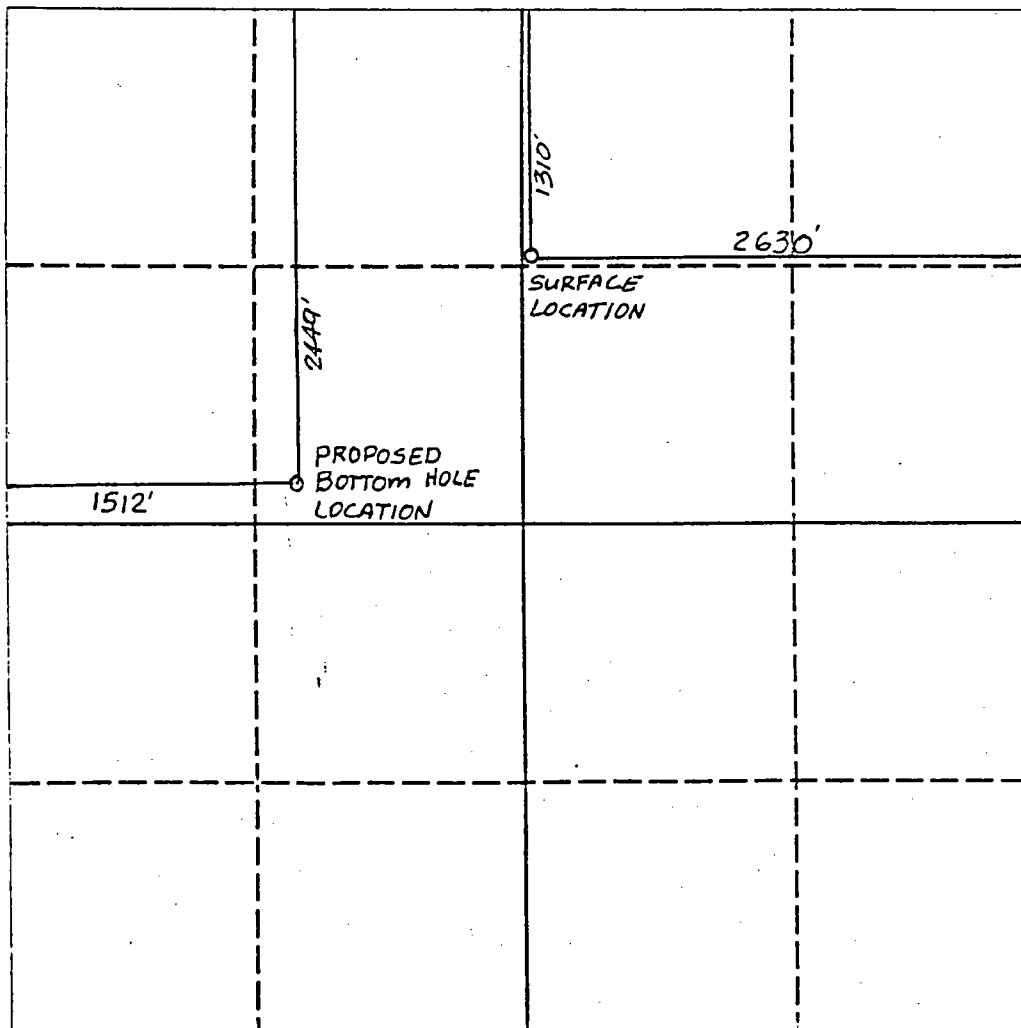
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1000 Rio Brazos Rd., Aztec, NM 87410

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1310 feet from the NORTH line and 2630 feet from the EAST line					
Ground level Elev. 3322.	Producing Formation		Pool	Dedicated Acreage: 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 interest of all owners been consolidated by communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



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

Position

Company

Date

SURVEYOR CERTIFICATION

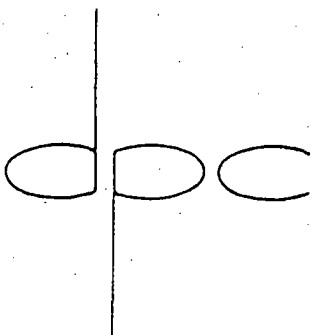
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

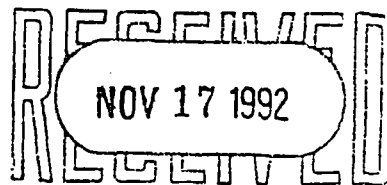
NOVEMBER 20, 1999

Signature and Seal of
Professional Surveyor





October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

Attention: Mr. Randy Foote

Re: Waiver of Objection
Section 1: SW/4 SE/4,
Section 12: NW/4 NE/4
T-20-S, R-30-E, N.M.P.M.
Eddy County, New Mexico

Dear Randy:

As we discussed last week in your office, David Petroleum Corp. desires to further evaluate acreage in the referenced township. Because this acreage is near some potash mines where your company owns potash leases, the B.L.M. feels it would be advisable to obtain a waiver of objection as to our surface location.

New Mexico Oil Conservation Commission order No. R-111-P provides that a deep well shall be drilled no closer than one-half ($\frac{1}{2}$) mile from the LMR. The enclosed plat indicates a surface area, highlighted in red, which we believe satisfies this restriction. It would be our intent to directionally drill from areas within this circle to bottomhole locations approved by the N.M.O.C.D.

Our exploration plans include purchasing additional seismic data which is available in this area as well as possibly shooting new seismic of our own. If our seismic work proves encouraging we will pursue the available leasehold interests with hopes of drilling an exploratory well.

David Petroleum Corp. and its assigns, request that you waive objection, for a period of five (5) years, to the surface occupancy at this location. If you are agreeable to waiving objection to this location, please so indicate by signing, dating and returning one (1) copy of this letter to David Petroleum Corp. in the enclosed self-addressed and stamped envelope. Please give me a call if you have any questions.

Sincerely,

Bill Owen

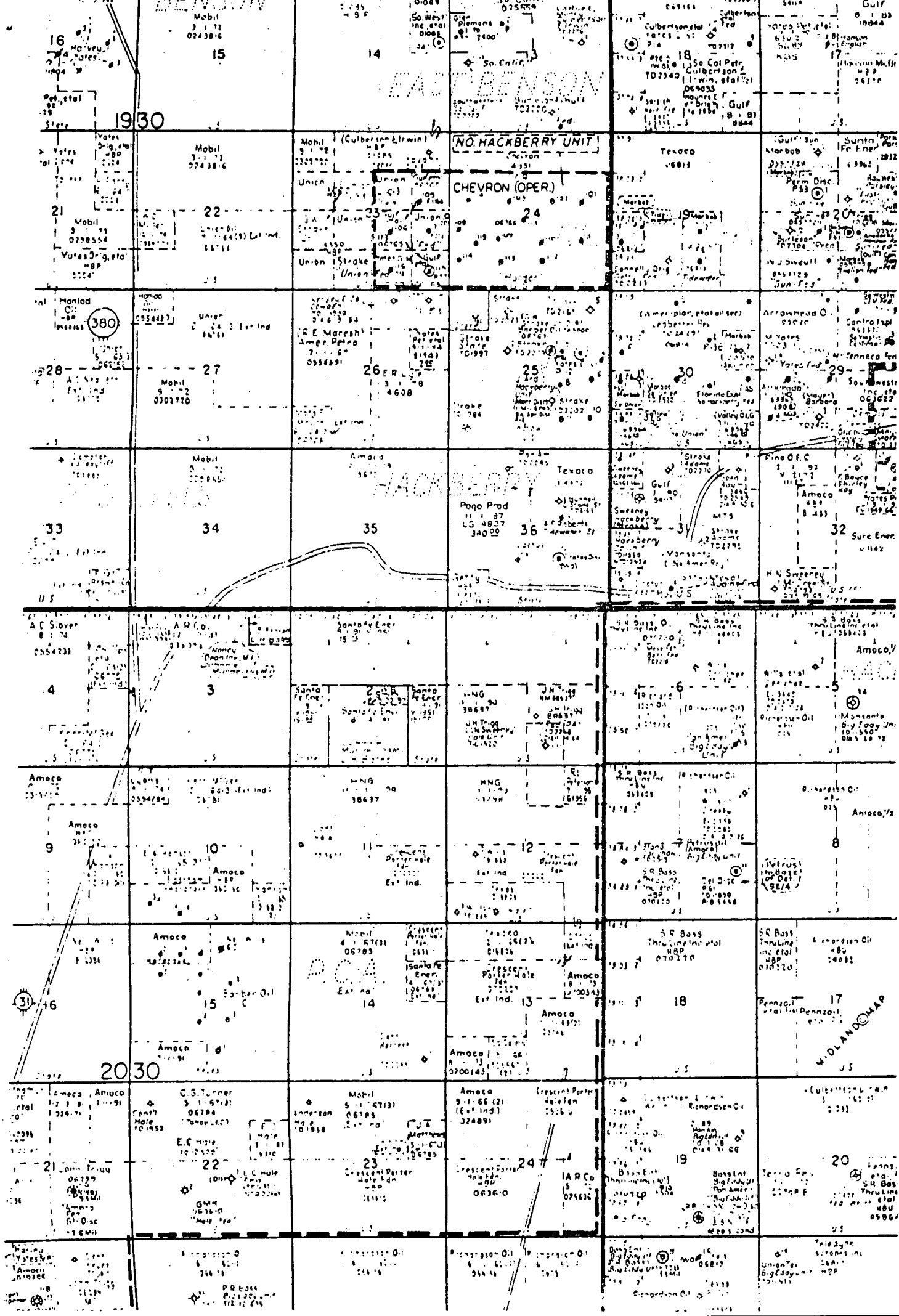
Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: Randy Foote

Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201



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



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

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

November 23, 1992

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay, Director

Re: Application for Administrative Approval to directionally
Drill the Yates Petroleum Corporation Amaranth
"AMG" Fed. Com. #1 Well, Undesignated Strawn Pool,
Undesignated Morrow Pool, Eddy County, New Mexico

Dear Mr. LeMay,

Pursuant to the provisions of Oil Conservation Division Rule 111(d), Yates Petroleum Corporation, operator of the W/2 of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, hereby applies for administrative approval to directionally drill its Yates Petroleum Corporation Amaranth "AMG" Fed. Com. #1 well from a surface location 1,310 feet from the North line and 2,630 feet from the East line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy county, New Mexico to a proposed bottomhole location 2,449 feet from the North line and 1,512 feet from the West line of Section 12, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This application qualifies for administrative approval since the proposed production zone is at a standard location in both the Strawn and Morrow formations in Section 12, but no standard surface location is available due to the potash enclave. Attached are waivers for the surface location selected.

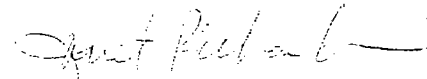
Required notice of this application has been served by certified mail to each Operator of a spacing or proration unit offsetting the unit for which

attached service list has been furnished a copy of this letter, complete with all attachments.

If there are any questions concerning this application, please contact me or Mr. Ken Beardemphl at 505-748-1471.

Thank you.

Very truly yours,



Janet Richardson
Landman

CC w/enc.: State of New Mexico
Oil Conservation Division
District II
P. O. Drawer DD
Artesia, New Mexico 88210

SURFACE OWNER:

Bureau of Land Management
1717 West Second
Roswell, New Mexico 88201

OFFSET OPERATORS:

Santa Fe Energy
500 West Illinois
5th Floor
Midland, Texas 79701

Amoco Production Co.
P. O. Box 3092
Houston, Texas 77253

Scope, Ind.
E. A. Culbertson
Wallace W. Irwin
P. O. Box 1071
Midland, Texas 79701

David Petroleum Corporation
116 West First
Roswell, New Mexico 88201

Crescent Porter Hale Foundation
c/o Ballard Exploration Company, Inc.
1705 First City National Bank Building
1021 Main Street
Houston, Texas 77002

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

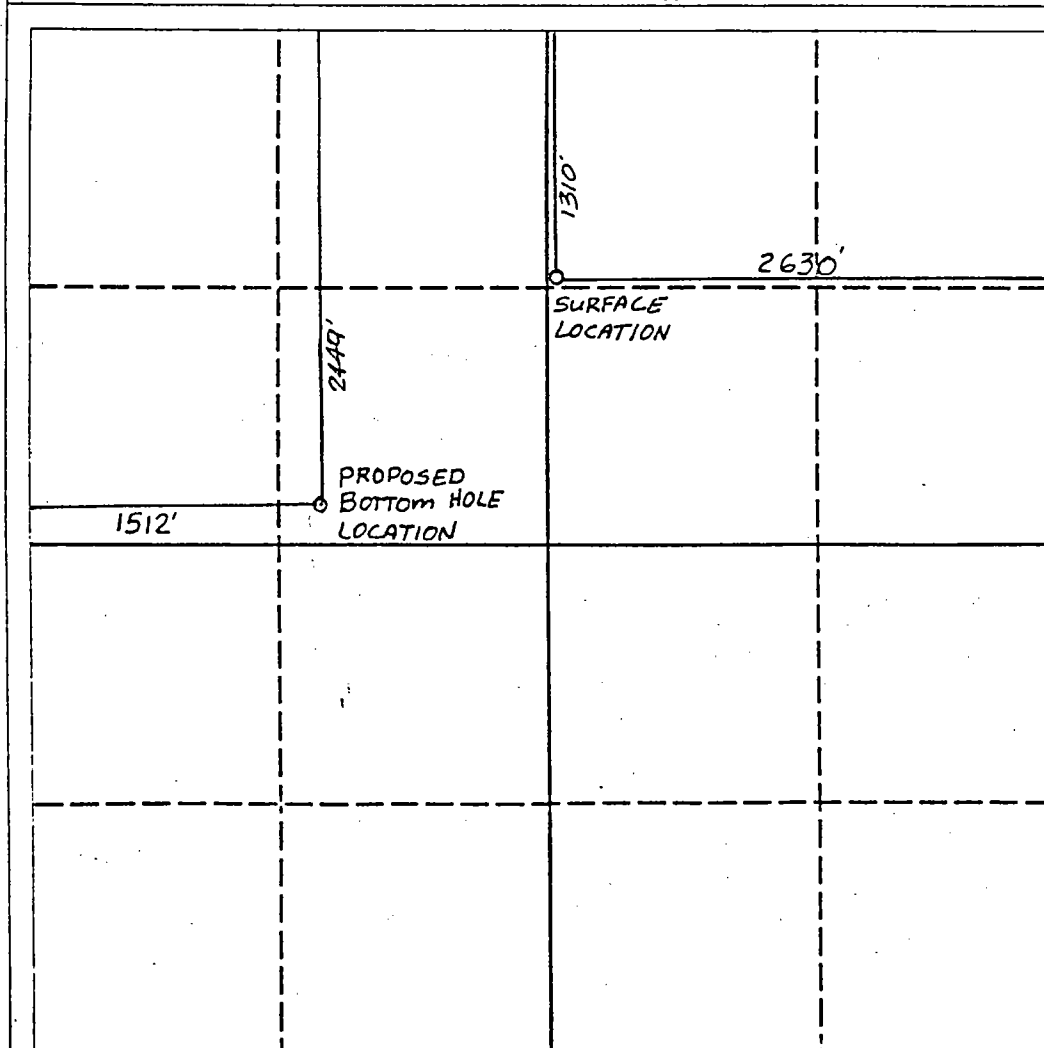
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease AMARANTH ANG FEDERAL COM		Well No. 1
Unit Letter	Section 12	Township 20 SOUTH	Range 30 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: SURFACE LOCATION					
1310 feet from the NORTH line and		2630 feet from the EAST line			
Ground level Elev. 3322.	Producing Formation		Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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Printed Name

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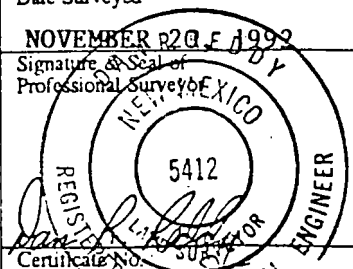
SURVEYOR CERTIFICATION

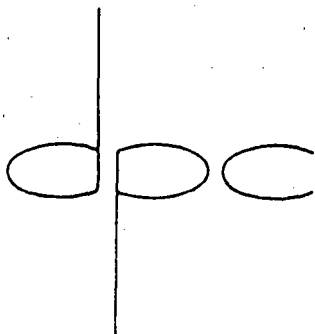
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Date Surveyed

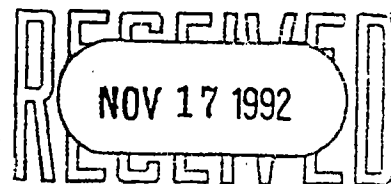
NOVEMBER 20 1992

Signature & Seal of
Professional Surveyor





October 2, 1990



Mississippi Chemical Corporation
P.O. Box 1010
Carlsbad, New Mexico 88220

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Sincerely,

Bill Owen

Agreed and Accepted this 4 day of October, 1990.

Mississippi Chemical Corporation

By: Randy Foote

Company Manager

DAVID PETROLEUM CORP.
EDWARD K. DAVID, PRESIDENT
Certified Petroleum Geologist
Off. 505/622-8850
Res. 505/622-5267
116 West First
Roswell, New Mexico 88201

