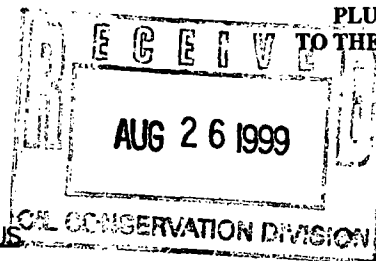


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-142
Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address YATES DRILLING COMPANY 105 SOUTH FOURTH STREET, ARTESIA, NM 88210							OGRID Number 025513	
Contact Party DENNIS P. MAUPIN							Phone (505) 748-4344	
Property Name SPURCK 16 STATE COM					Well Number 1		API Number 30-015-30561	
UL J	Section 16	Township 17S	Range 28E	Feet From The 1344	North/South Line SOUTH	Feet From The 1650	East/West Line EAST	County EDDY

II. Date/Time Information

Spud Date 05/05/99	Spud Time 11:15am	Date Completed 07/22/99	Pool EMPIRE PENN
-----------------------	----------------------	----------------------------	---------------------

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of NEW MEXICO)

ss.

County of EDDY)

TOBIN RHODES, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Tobin Rhodes Title ENGINEER Date 08/17/99

SUBSCRIBED AND SWORN TO before me this 24th day of August, 1999.

Lillian Beardemph
Notary Public

My Commission expires: July 31, 2003

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Ralby</u>	Title <u>P.E. Spee</u>	Date <u>AUG 27 1999</u>
--------------------------------	---------------------------	----------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: AUG 27 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006433052

Submit 3 copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504 -2088

WELL API NO.

30-015-30561

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

B-8617

7. Lease Name or Unit Agreement Name

Spurck 16 State

Com

8. Well No.

1

9. Pool name or Wildcat

Empire Penn

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL

GAS

Well ☐

Well ☒

OTHER

2. Name of Operator

Yates Drilling Company

3. Address of Operator

105 S. 4th St., Artesia, NM 88210

4. Well Location

Unit Letter J : 1344 Feet From The South Line and 1650 Feet From The East Line

Section 16

Township 17S

Range 28E

NMPM

Eddy

County

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

☐

PULL OR ALTER CASING ☐

OTHER: ☐

☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒

PLUG AND ABANDONMENT ☒

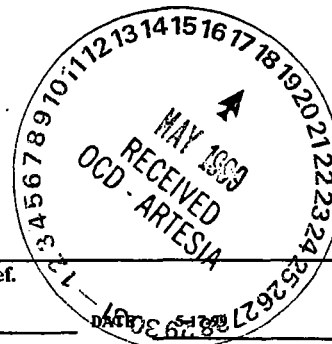
CASING TEST AND CEMENT JOB ☒

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded a 20" hole with rat hole machine at 11:15 am, 5-5-99. Set 40' of 16" conductor pipe.
Note: Notified Mike Stubblefield with NMOC, Artesia of spud. Began drilling a 14 3/4" hole
with rotary tools at 10:30 am, 5-15-99.

TD 400' at 7:15 pm, 5-15-99. Ran 9 jts. of 11 3/4", 42#, H-40 casing set at 400'. 1 Texas
Pattern Notched guide shoe, set at 400'. Insert float set at 355.34'. Cemented
with 300 sxs Class "C" with 2% CACL2 (yield 1.34, weight 14.8). Plugged down at 10:45 pm,
5-15-99. Bumped plug to 500 psi, okay. Circulated 58 sxs. WOC. Reduced hole to 11" and
drilled out at 4:45 pm, 5-16-99.



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

SIGNATURE

Karen J. Leishman

TITLE Engineering Technician

TYPE OR PRINT NAME Karen J. Leishman

TELEPHONE NO. 505-748-4500

(This space for State Use)

APPROVED BY

Jim W. Gunn

TITLE

District Supervisor

DATE

6-2-99

CONDITIONS OF APPROVAL, IF ANY:

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

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

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

WELL API NO.

30-015-30561

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

B-8617

7. Lease Name or Unit Agreement Name

Spurck 16 State Com

8. Well No.

1

9. Pool name or Wildcat

Empire Penn

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☐

GAS WELL ☒

DRY ☐

OTHER ☐

b. Type of Completion:

NEW WELL ☒

WORK OVER ☐

DEEPEN ☐

PLUG BACK ☐

DIFF RESVR ☐

2. Name of Operator

Yates Drilling Company

3. Address of Operator

105 South 4th Street, Artesia, NM 88210

4. Well Location

Unit Letter J : 1344 Feet From The South Line and 1650 Feet From The East Line

Section 16 Township 17S Range 28E NMPM Eddy County

10. Date Spudded

5-5-99

11. Date T.D. Reached

6-12-99

12. Date Compl. (Ready to Prod.)

7-22-99

13. Elevations (DF & RKB, RT, GR, etc.)

3578' GR

14. Elev. Casinghead

-

15. Total Depth

10,320

16. Plug Back T.D.

10,265

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By

Rotary Tools
40-10320'

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

9993-10025' Morrow

20. Was Directional Survey Made

No

21. Type Electric and Other Logs Run

CNL/LDC, BHC & Laterolog

22. Was Well Cored

No

23.

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"		40'	20"	Cement to Surface	
11 3/4"	42#	400'	14 3/4"	300 sxs - circulate	
8 5/8"	24# & 32#	2395'	11"	1100 sxs - circulate	
4 1/2"	11.6#	10320'	7 7/8"	1075 sxs	

24.

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	9904'	9865'

26. Perforation record (interval, size, and number)

9993-95' (.40" 6 holes) 10003-15' (.40", 52 holes)
10023-25' (.40", 6 holes)
9958-70' 9975-77' (.42", 64 holes)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9958-10025	16500 + 2500 gals Methonal +
	N2 + CO2
	71000# 20/40 ACfrac Black

28.

PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
7-24-99		Flowing				Prod.	
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7-27-99	24	20/64		100.34	3614.0	0	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
2300	-		100.34	3614.0	0	60.2	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

Test Witnessed By

Greg Roans

30. List Attachments

Drill Stem Test, Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Karen J. Leishman

Printed

Name Karen J. Leishman

Title Engineering Tech Date 8-9-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates _____
 T. 7 Rivers _____
 T. Queen _____
 T. Grayburg _____
 T. San Andres 2007'
 T. Glorieta 3378'
 T. Paddock _____
 T. Blinbry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo 5510'
 T. Wolfcamp 6641'
 T. Penn 8219'
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn 8973'
 T. Atoka 9531'
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____
 T. Morrow Clastics 9852'
 T. Lwr Morrow 9926'
 T. Austin Cycle 10054'
 T. Chester 10216'

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

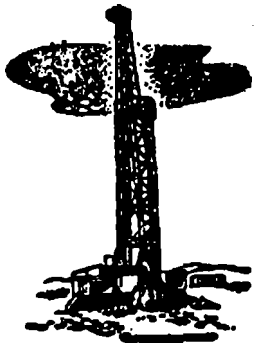
No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	400	400	Surface				
400	650	250	Redbed, anhydrite				
650	1510	860	Anhydrite				
1510	1710	200	Anhydrite, redbed, shale				
1710	3370	1660	Anhydrite, dolomite				
3370	4220	850	Anhydrite, dolomite, sandstone				
4220	6620	2400	Dolomite				
6620	8160	1540	Limestone, shale				
8160	8440	280	Dolomite				
8440	9520	1080	Limestone, shale				
9520	9850	330	Limestone, sand, shale				
9850	10050	200	Limestone, shale, sandstone				
10050	10210	160	Shale, limestone				
10210	10320	110	Limestone				

YATES DRILLING COMPANY
'WORKING INTEREST OWNERS
'SPURCK 16 STATE COM #1 API NUMBER 30-015-30561

OWNER NAME	INTEREST
Marbob Energy	0.12500000
Marico Exploration, Inc.	0.05000000
Pitch Energy Corporation	0.12500000
Sacramento Partners Limited	0.15000000
Sharbro Oil Ltd. Co.	0.03660580
Yates Energy Corporation	0.05912740
Yates, Peggy A. Estate	0.03660580
Harvey E. Yates Company	0.17839090
Yates, Lillie M. Estate SP	0.03660580
Yates Drilling Company	0.06605850
Yates, John A.	0.03660580
Yates, Peyton, Sole & Separate	0.05000000
Yates, Richard	0.05000000
TOTAL INTEREST	1.00000000



YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES
PRESIDENT

S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

August 24, 1999

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Dear Sir/Madam:

Pursuant to the rules established by the State of New Mexico under 19 NMAC 15.A.34 pertaining to "New Well Tax Incentive", Yates Drilling Company does hereby submit an original plus two copies of Form C-142 "Application for New Well Status" for the following well. These forms are being submitted for your approval and designation of this wells as a "New Well" for purposes of the New Well Tax Incentive.

1. Spurck 16 State Com #1

Should you have any questions or require additional information, please feel free to give me a call at 505-748-4344.

Sincerely,

Dennis P. Maupin
Tax Accountant

enclosures