

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

February 14, 1989

William J. Lemay, Director
NMOCD
P.O. BOX 2088
Santa Fe, N.M. 87504-2088

*Application
Carper Well
Only!*

RE: Unorthodox Gas Well Location
Unit A Sec. 33 - 17S-24E, Eddy Co.

Yates Petroleum hereby makes application for administrative approval for exception to the Standard Gas Well Location for re-entry of the Carper Drilling Company's Monsanto State No. 1, located 660 feet from North and East lines of Section 33 T17S R24E, Eddy County. Subject well was permitted for Max Wilson in February 1964 on 40-acre spacing and designated as State Marathon Well No. 1. The well was subsequently drilled as a Cisco-Canyon exploratory well to a depth of 7020 feet by Carper Drilling Company and plugged and abandoned in May 1964 not having encountered commercial oil pay.

Subject re-entry will be an extension of the Collins Ranch Wolfcamp gas field. Dedicated acreage would be the North half of Section 33 and Yates Petroleum is the operator of all offset acreage. ~~It is further noted that undesignated Cisco Canyon gas was discovered in YPC - Richard Knob AEK State No. 1, located 1980 feet from the North & East lines of Section 34, T17S-24E. Also, there were shows in the Strawn and Atoka-Morrow formations.~~

Yates Petroleum has scheduled for drilling an offset to the Richard Knob AEK No.1. The re-entry and deepening of subject well will allow us to "look at" the potential of the Morrow and intermediate horizons and would greatly affect the location of the Richard Knob AEK State No. 2. This non-standard location will prevent waste and does not infringe on correlative rights of operator or mineral owner.

This request for Administrative Approval of an Unorthodox Gas well location is submitted as provided for under NMOCD Rule 104 F. Topographically, this location is closer to the gas transmission line than a standard location would be since Transwestern Pipeline is approximately ½ mile North, running 25-30 degrees West and North from the State DF No. 1 in Unit D of Section 35, T17S-R24E. Note that the State DF No. 1 was approved administratively by Order NSL-895 on November 1, 1977.

Sincerely,

Eddie M. Mahfood

Eddie M. Mahfood
Senior Engineer

EMM/gb

cc: Randy Patterson, Ray Beck

*Wolfcamp Only
as requested
by 2/23/89.*

ADULTS GOING FOR

COMPANY APPROVED
RECEIVED

WEL. METHOD STATE 11/20/54

RED Indoor

COUNTY Idaho STATE Idaho

Location
P. 11

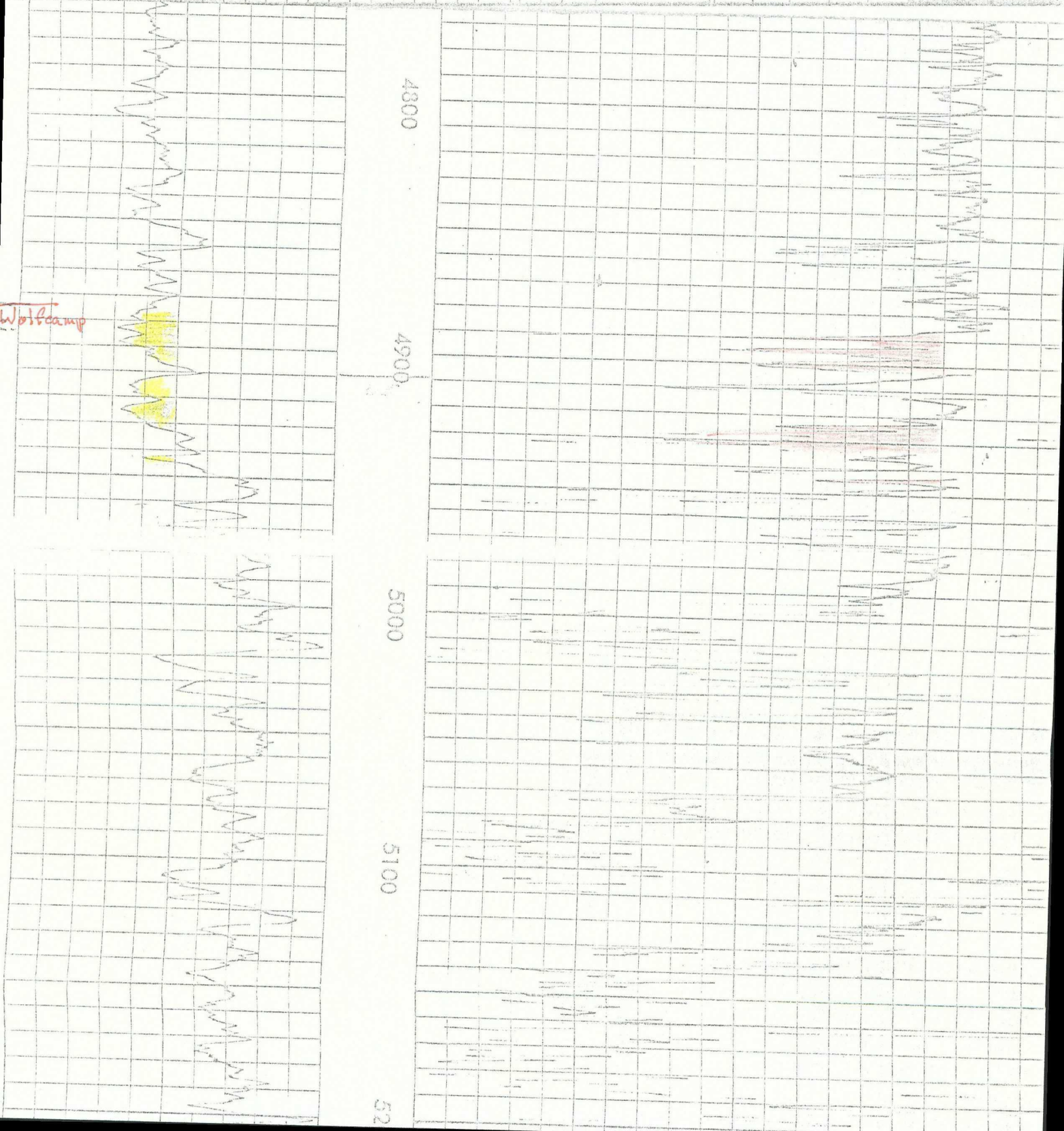
Other Services:

Tab - Elec

Sec. 33 Two / 175 Rge 24

Greenwood, Elev. 3790',
from A.B. 11 ft. Above Perm. Datum

Est. K.B. 3801'
D.F. 3800'
G.B. 3790'

[illegible]

CSM

COMPANY: YATES PETROLEUM CORPORATION

WELL: RICHARD KNOB "AEX" STATE NO. 1

FIELD: UNDES. RICHARD KNOB

COUNTY: EDDY

STATE: NEW MEXICO

LOCATION: 1980' FNL & 1980' FEL

SEC: 134 TWP: 17-S RGE: 24-E

PERMANENT DATUM: G.L. ELEVATIONS-

ELEV. OF PERM. DATUM: 3751.1 F KB: 3764.6 F

LOG MEASURED FROM: K.B. DF: 3759.6 F

13.5 F ABOVE PERM. DATUM GL: 3751.1 F

DATE: 21 JAN 88

DEPTH-DRILLER: 8300.0 F

DEPTH-LOGGER: 8302.0 F

RTM LOG INTERVAL: 8263.0 F

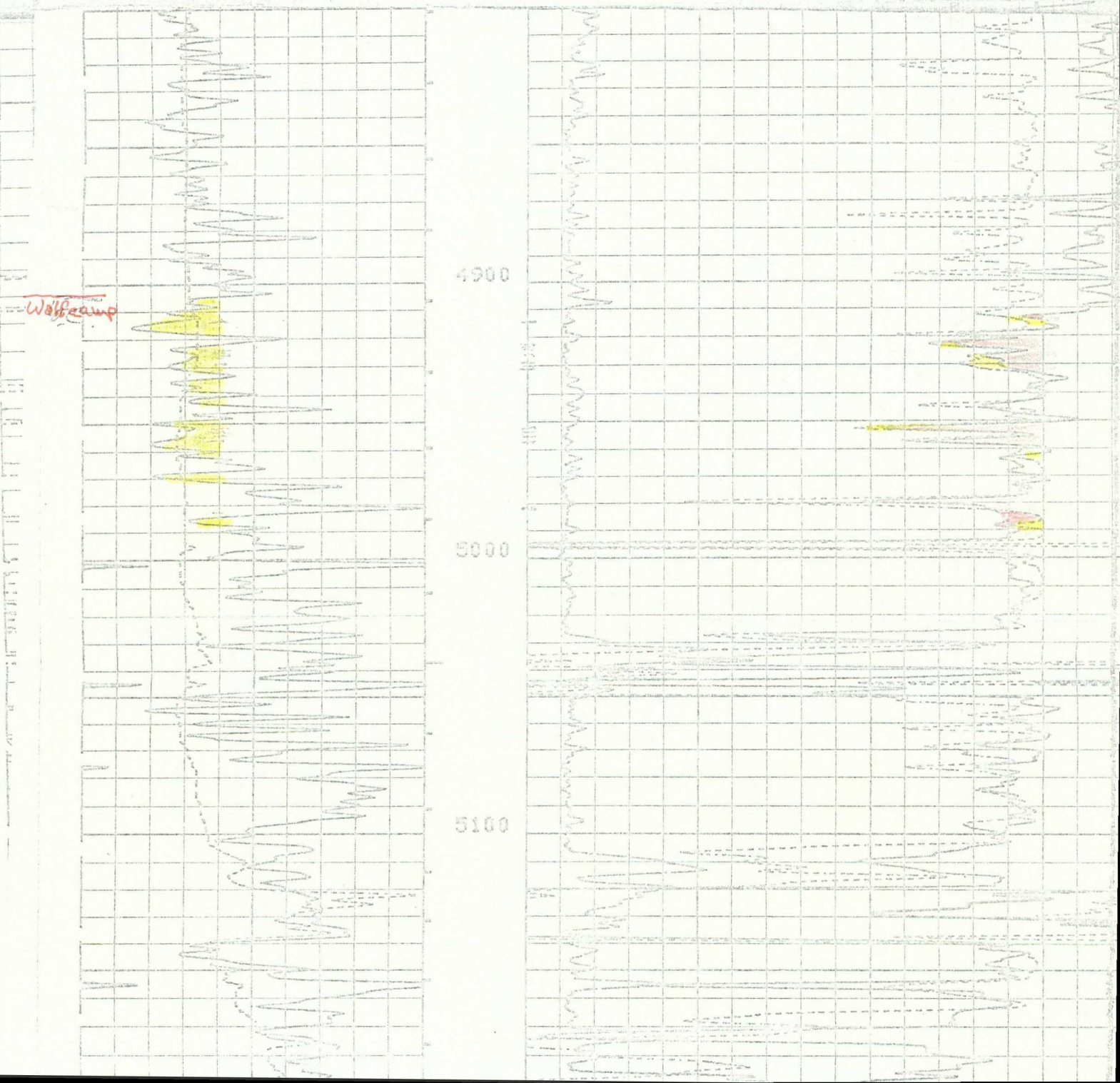
TOP LOG INTERVAL: 72.0 F

CASING-DRILLER: 1110.0 F

CASING-LOGGER: 1110.0 F

WEIGHT: 8 5/8"

BIT SIZE: 24.0000 LB/F



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Case 9628

February 14, 1989

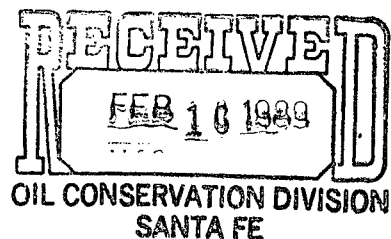
Attn: Mr. William J. Lemay

Early attention and approval would be greatly appreciated as we plan to drill the Richard Knob AEK St. #2 in March, 1989.

Thank you.

Eddie M. Mahfood
Eddie M. Mahfood
Senior Engineer

EEM/gb



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DATE 2-22-89

TO: Mike Stogner

FROM: Theresa Padilla

Number of pages including cover page: 3

If you do not receive all of these pages, please call 748-1471 ext ____.

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February 23, 1989

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

ATTN: Mike Stogner

Dear Mr. Stogner:

With reference to our telephone conversation this afternoon, Yates Petroleum hereby makes application for administrative approval for re-entry of the Carper Drilling Company's Monsanto State No. 1, located 860 feet from North and East lines of Section 33 T17S R24E, Eddy County. Subject well was permitted for Max Wilson in February 1964 on 40-acre spacing and designated as State Marathon Well No. 1. The well was subsequently drilled as a Cisco-Canyon exploratory well to a depth of 7020 feet by Carper Drilling Company and plugged and abandoned in May 1964 not having encountered commercial oil pay.

The subject re-entry will be an extension of the Collins Ranch Wolfcamp gas field. Dedicated acreage would be the North half of Section 33 and Yates Petroleum is the operator of all offset acreage. As we discussed today, this application for administrative approval to produce from the shallow zones, (Wolfcamp), is considered a recompletion. The log on this well is attached with specific reference to the Wolfcamp.

This request for Administrative Approval of Unorthodox Gas well location is submitted as provided for under NMOC Rule 104 F. This request for Administrative Approval to re-enter and produce from the shallow zones will be treated separately from our request of February 14, 1989, whereby we are requesting approval to deepen this well to the Morrow. The deepening will be treated separately at the March 15, 1989 scheduled hearing.

Should you have any questions, please do not hesitate to call. If you could telecopy the letter of administrative approval of our application tomorrow, we would greatly appreciate it.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

