

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

RECEIVED
90 APR 17 AM 8 39



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

April 12, 1990

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Non-standard location
Sara "AHA" Com. #1
660' FEL & 1980' FSL
Section 11-T20S-R24E
Eddy County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOC Rule 104F.

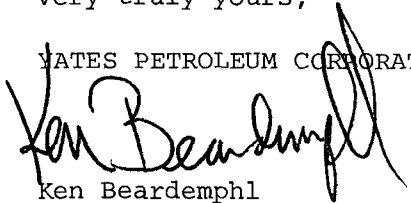
Our reason for requesting this non-standard location is that it is a re-entry of an abandoned well drilled by Ralph Nix as their Debbie #1 on September of 1981 and plugged and abandoned November of 1986. We wish to re-enter his well bore and test the South Dagger Draw Upper Penn and intermediate formations. Yates plan to enter the existing 5 1/2" casing and start testing at approximately 8,000'. It is more economical to re-enter and test this well bore and it will benefit the surrounding acreage.

Yates Petroleum Corporation is the operator or leasehold owner of all lands surrounding this well. Enclosed find a copy of the lease map and a plat (Form C-102) of the Sara "AHA" Com. #1 well location and acreage dedication.

If you have any questions concerning this matter, please give me a call.
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Ken Beardemphl
Landman

KB/sdf

Enclosure

cc: OCD - Attention: Mike Williams

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

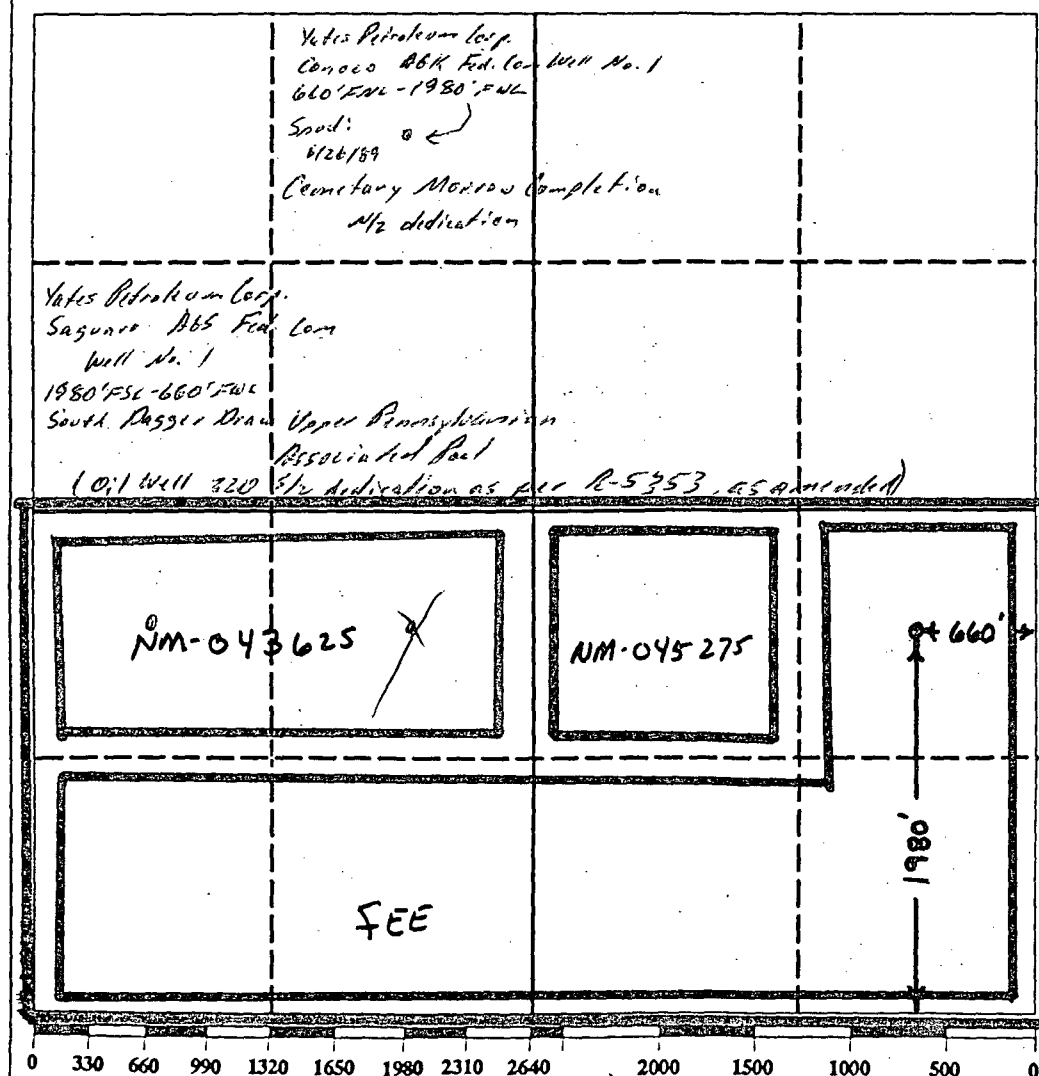
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|---|---------------|-------------------------------------|--------------------------|--------------------------------------|---------------------------------|
| Operator Yates Petroleum Corporation | | | Lease Sara "AHA" Com. | | Well No. 1 |
| Unit Letter I | Section 11 | Township 20 South | Range 24 East | County NMPM Eddy | |
| Actual Footage Location of Well: 660 feet from the East line and 1980 feet from the South line | | | | | |
| Ground level Elev. 3608' | | Producing Formation Cisco Canyon | | Pool South Dagger Draw-Upper Penn | Dedicated Acreage: 320 Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Beardemphl
Printed Name
Ken Beardemphl
Position
Landman
Company
Yates Petroleum Corporation
Date
April 12, 1990

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
Signature & Seal of Professional Surveyor
Refer to original plat.
Certificate No.

Conoco Inc.
Debbie Well No. 1
1980' FSL - 660' FSL Spud 9/12/81 TO 9546'
Cemetery Morrow test: 1/2 dedication as per R-5353, as amended to W.C. Cisco 4016

Description: All Sec 23, 26 & 35 (R-4637, 10-1-73) EXT: E/2 SEC 22
(R-9134 4-1-90)

OIL CONSERVATION DIVISION
RECEIVED

FIISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E

ALBUQUERQUE, NEW MEXICO 88210

(505) 746-9841

JOHN FISK
DAVID R. VANDIVER

March 23, 1990

FAX
(505) 746-4208

Mr. Michael E. Stogner
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

NSL-2773 / m.s.

Re: Oil Conservation Division
Case No. 9770 / Order No. R-9015
Saguaro "AGS" Federal Com. No. 1 Well
Township 20 South, Range 24 East, NMPM
Section 11: S/2
Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Well Location, Eddy County, New Mexico. As we discussed, the Division entered its order on October 12, 1989, granting approval of Yates Petroleum Corporation's application for an unorthodox gas well location for the Undesignated Cemetery-Morrow Gas Pool. The Saguaro "AGS" Federal Com. No. 1 Well tested as dry and non-productive in the Morrow formation, and the well was subsequently recompleted as a producing oil well in the Canyon formation, in the South Dagger Draw Upper Penn Pool. Yates either operates or owns 100% of all spacing or proration units offsetting the unit for which the unorthodox location is sought, and no other party is entitled to notice of this application.

If the application is acceptable, Yates respectfully requests that the Division enter an order, without notice and hearing, granting administrative approval of the unorthodox location for the Canyon formation.

Please contact me if you should require any further information prior to entering an order in this case.

Very truly yours,

FIISK & VANDIVER
David R. Vandiver
David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Ms. Kathy Porter

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF YATES PETROLEUM CORPORATION :
FOR ADMINISTRATIVE APPROVAL OF : CASE NO. 9770
AN UNORTHODOX WELL LOCATION, :
EDDY COUNTY, NEW MEXICO :
_____ :

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 20 South, Range 24 East, N.M.P.M.

Section 11: S/2

containing 320 acres, more or less,
and has drilled its Saguaro "AGS" Federal Com. No. 1 Well at a point located 1,980 feet from the south line and 660 feet from the west line of said Section 11.

2. On October 12, 1989, the Division entered its Order No. R-9015 in Case No. 9770, which approved the application of Yates Petroleum Corporation for an unorthodox gas well location for the Undesignated Cemetery-Morrow Gas Pool for the Saguaro "AGS" Federal Com. No. 1 Well, located 1,980 feet from the south line and 660 feet from the west line of said Section 11.

The Division retained jurisdiction of this cause for the entry of such further orders as it deems necessary.

3. Applicant drilled its Saguaro "AGS" Federal Com. No. 1 Well to the Morrow formation at a total depth of 9,480 feet, and the Morrow formation tested as dry and non-productive. Applicant thereafter recompleted the well on February 8, 1990, as a producing oil well in the Canyon formation through perforations between 7,660 feet and 7,780 feet. The well is capable of producing from the South Dagger Draw Upper Penn Pool, and Order No. R-9015 does not authorize an unorthodox location for a well in the South Dagger Draw Upper Penn Pool.

4. The Applicant seeks administrative approval, pursuant to Rule 104.F, of its unorthodox location as an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit Applicant to produce the well from the Canyon formation at the above mentioned unorthodox location.

5. A standard 320-acre proration unit comprising the S/2 of said Section 11 should be dedicated to such well.

6. A plat showing the ownership of all leases offsetting the proration unit for which the unorthodox location is sought and all wells completed thereon is attached hereto. The Applicant either operates or owns 100% of all proration or spacing units offsetting the S/2 of said Section 11, and no other party is entitled to notice of this Application.

7. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that the Division enter its order, without notice and hearing, granting Applicant permission to produce its well at a point 1,980 feet from the south line and 660 feet from the west line of said Section 11, and to dedicate the S/2 of Section 11 to said well for production from the Canyon formation, and for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 
David R. Vandiver

FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

FISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E
ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK
DAVID R. VANDIVER

FAX
(505) 746-4208

FAX TRANSMITTAL SHEET

TO: Michael E. Stogner
COMPANY: New Mexico Oil Conservation Division
FAX NUMBER: 827-5741

FROM: David R. Vandiver
COMPANY: Fisk & Vandiver
FAX NUMBER: 746-4208

DATE: March 23, 1990

SUBJECT: Case No. 9770 / Order No. R-9015
Saguaro "AGS" Federal Com. No. 1 Well
Township 20 South, Range 24 East, NMPM
Section 11: S/2
Eddy County, New Mexico

NUMBER OF PAGES (including this page): 5

The original application is being mailed to you this date.

IF THERE ARE ANY PROBLEMS WITH RECEIPT OF THE FOLLOWING PAGES,
PLEASE CONTACT US AT 746-9841.

THANK YOU.

FISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E
ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK
DAVID R. VANDIVER

March 23, 1990

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P. O. Box 2088
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FISK & VANDIVER


David R. Vandiver

DRV:pvw
Enclosures

cc w/enclosure: Ms. Kathy Porter

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OF THE STATE OF NEW MEXICO

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(505) 746-9841

Attorneys for Applicant

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| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | 39 | | 40 | | 41 | | 42 | | 43 | | 44 | | 45 | | 46 | | 47 | | 48 | | 49 | | 50 | | 51 | | 52 | | 53 | | 54 | | 55 | | 56 | | 57 | | 58 | | 59 | | 60 | | 61 | | 62 | | 63 | | 64 | | 65 | | 66 | | 67 | | 68 | | 69 | | 70 | | 71 | | 72 | | 73 | | 74 | | 75 | | 76 | | 77 | | 78 | | 79 | | 80 | | 81 | | 82 | | 83 | | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | 90 | | 91 | | 92 | | 93 | | 94 | | 95 | | 96 | | 97 | | 98 | | 99 | | 100 | |
| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | 39 | | 40 | | 41 | | 42 | | 43 | | 44 | | 45 | | 46 | | 47 | | 48 | | 49 | | 50 | | 51 | | 52 | | 53 | | 54 | | 55 | | 56 | | 57 | | 58 | | 59 | | 60 | | 61 | | 62 | | 63 | | 64 | | 65 | | 66 | | 67 | | 68 | | 69 | | 70 | | 71 | | 72 | | 73 | | 74 | | 75 | | 76 | | 77 | | 78 | | 79 | | 80 | | 81 | | 82 | | 83 | | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | 90 | | 91 | | 92 | | 93 | | 94 | | 95 | | 96 | | 97 | | 98 | | 99 | | 100 | |
| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | 39 | | 40 | | 41 | | 42 | | 43 | | 44 | | 45 | | 46 | | 47 | | 48 | | 49 | | 50 | | 51 | | 52 | | 53 | | 54 | | 55 | | 56 | | 57 | | 58 | | 59 | | 60 | | 61 | | 62 | | 63 | | 64 | | 65 | | 66 | | 67 | | 68 | | 69 | | 70 | | 71 | | 72 | | 73 | | 74 | | 75 | | 76 | | 77 | | 78 | | 79 | | 80 | | 81 | | 82 | | 83 | | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | 90 | | 91 | | 92 | | 93 | | 94 | | 95 | | 96 | | 97 | | 98 | | 99 | | 100 | |
| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | 39 | | 40 | | 41 | | 42 | | 43 | | 44 | | 45 | | 46 | | 47 | | 48 | | 49 | | 50 | | 51 | | 52 | | 53 | | 54 | | 55 | | 56 | | 57 | | 58 | | 59 | | 60 | | 61 | | 62 | | 63 | | 64 | | 65 | | 66 | | 67 | | 68 | | 69 | | 70 | | 71 | | 72 | | 73 | | 74 | | 75 | | 76 | | 77 | | 78 | | 79 | | 80 | | 81 | | 82 | | 83 | | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | 90 | | 91 | | 92 | | 93 | | 94 | | 95 | | 96 | | 97 | | 98 | | 99 | | 100 | |
| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | 39 | | 40 | | 41 | | 42 | | 43 | | 44 | | 45 | | 46 | | 47 | | 48 | | 49 | | 50 | | 51 | | 52 | | 53 | | 54 | | 55 | | 56 | | 57 | | 58 | | 59 | | 60 | | 61 | | 62 | | 63 | | 64 | | 65 | | 66 | | 67 | | 68 | | 69 | | 70 | | 71 | | 72 | | 73 | | 74 | | 75 | | 76 | | 77 | | 78 | | 79 | | 80 | | 81 | | 82 | | 83 | | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | 90 | | 91 | | 92 | | 93 | | 94 | | 95 | | 96 | | 97 | | 98 | | 99 | | 100 | |
| 25 | | 26 | | 27 | | 28 | | 29 | | 30 | | 31 | | 32 | | 33 | | 34 | | 35 | | 36 | | 37 | | 38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9770
ORDER NO. R-9015

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of October, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 11, Township 20 South, Range 24 East, NMPM, to test the Undesignated Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(3) The S/2 of said Section 11 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

Case No. 9770
Order No. R-9015
Page No. 2

(4) The evidence presented at the hearing and information obtained from Division records indicate that the Conoco, Inc. Debbie Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 11 tested the Morrow formation as dry and non-productive.

(5) The geological evidence presented at the hearing indicates that a well at the proposed unorthodox location should penetrate the Undesignated Cemetery-Morrow Gas Pool at a more structurally advantageous position than a well at a standard gas well location thereon, thereby increasing the likelihood of obtaining commercial production.

(6) No offset operator objected to the proposed unorthodox gas well location.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for an unorthodox gas well location for the Undesignated Cemetery-Morrow Gas Pool is hereby approved for a well to be located at a point 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 11, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

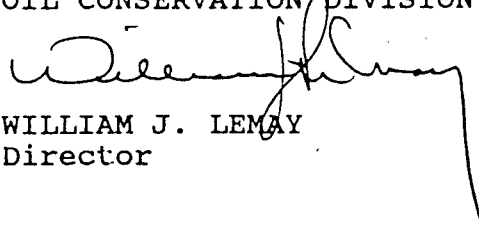
(2) The S/2 of said Section 11 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 9770
Order No. R-9015
Page No. 3

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

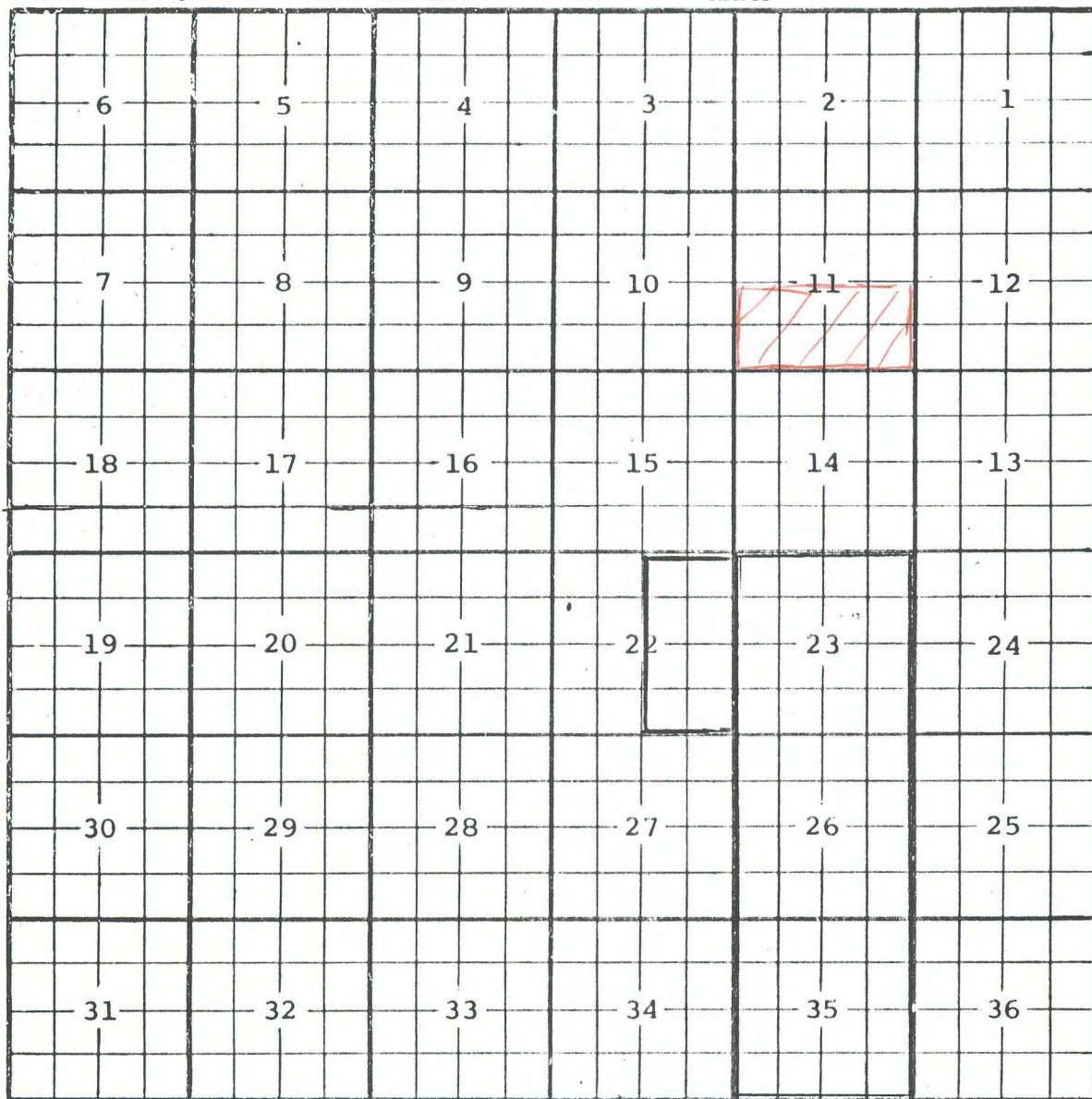


WILLIAM J. LEMAY
Director

S E A L

COUNTY Eddy POOL South Dagger Draw - Upper Pennsylvanian,
Assoc.

TOWNSHIP 20 South RANGE 24 East NMPM



Description: All Sec. 23, 26 & 35 (R-4637, 10-1-73) EXT: E/2 SEC 22
(R-9134, 4-1-90)

360

COUNTY Eddy

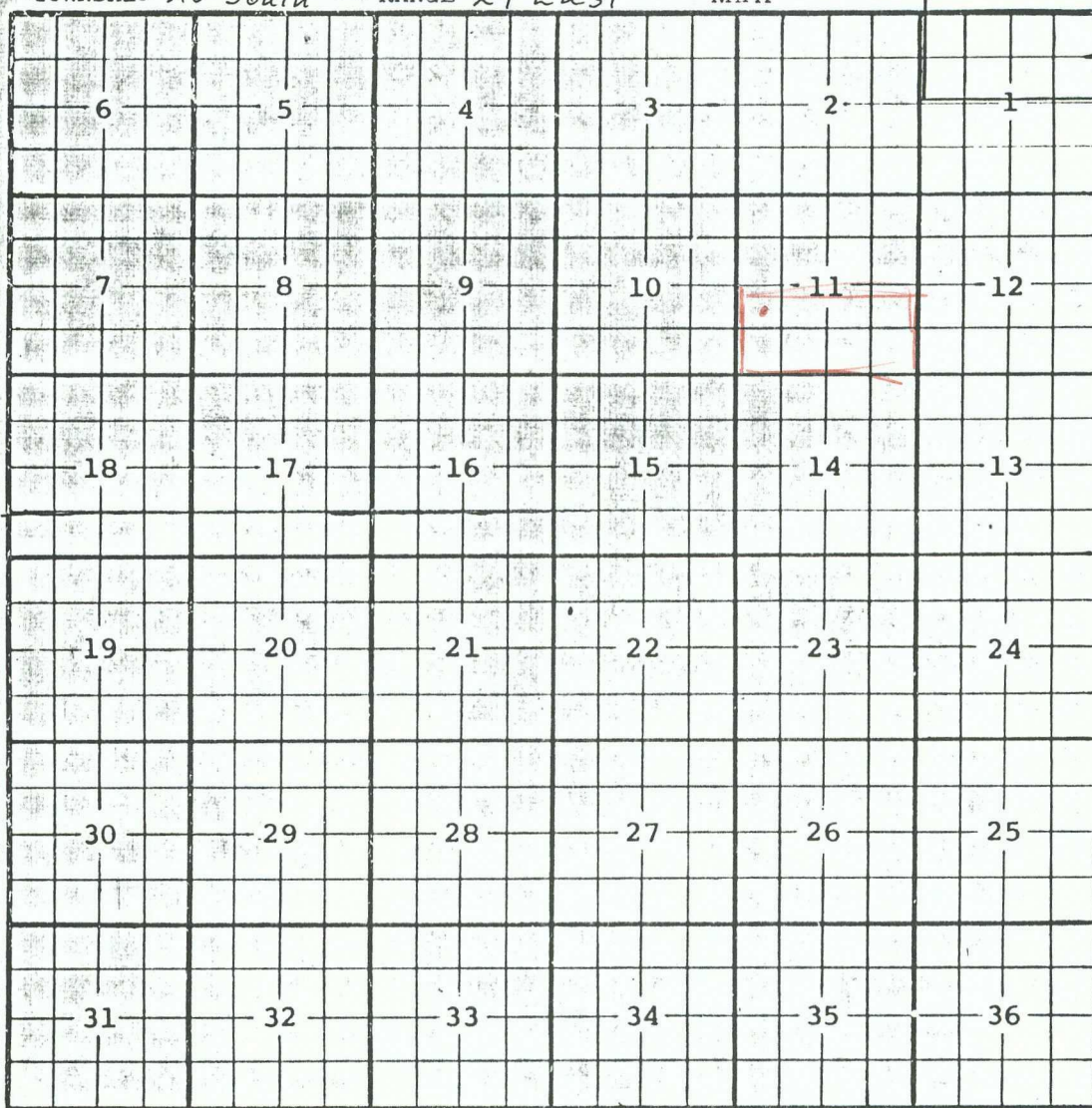
POOL North Dagger Draw - Upper Pennsylvanian

See
R-4691
as amended

TOWNSHIP 20 South

RANGE 24 East

NMPM



Description: $\frac{1}{2}$ Sec 1 (R-4691, 1-1-74)

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

RECEIVED

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

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

OIL CONSERVATION DIVISION

P.O. Box 2088

RECEIVED Santa Fe, New Mexico 87504-2088

JAN 31 '90

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

O. C. D.

ARTESIA, OFFICE

90 FEB 18 REQUEST FOR

I. TO TRANSPORT OIL AND NATURAL GAS

| | | |
|--|--|--|
| Operator YATES PETROLEUM CORPORATION | | Well API No. 30-015-26206 |
| Address 105 South 4th St., Artesia, NM 88210 | | |
| Reason(s) for Filing (Check proper box) New Well <input type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> | | <input checked="" type="checkbox"/> Other (Please explain) REQUEST 600 BBL TEST ALLOWABLE FOR MONTH OF JANUARY, 1990. PERFORATIONS: 7660-7780' CANYON |
| If change of operator give name and address of previous operator | | |

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|---|---------------|--|---------------------------------------|------------------------|
| Lease Name Saguaro AGS Federal Com | Well No. 1 | Pool Name, Including Formation Und. N. Dagger Draw Upper Penn | Kind of Lease State/Federal or Fed | Lease No. NM 043625 |
| Location Unit Letter L : 1980 Feet From The South Line and 660 Feet From The West Line Section 11 Township 20S Range 24E, NMPM, Eddy County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | | | | | |
|---|--|------------|-------------|-------------|-----------------------------------|------------------|
| Name of Authorized Transporter of Oil Navajo Refining Co. <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) PO Box 159, Artesia, NM 88210 | | | | | |
| Name of Authorized Transporter of Casinghead Gas Yates Petroleum Corporation <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) 105 South 4th St., Artesia, NM 88210 | | | | | |
| If well produces oil or liquids, give location of tanks. | Unit L | Sec. 11 | Twp. 20s | Rge. 24e | Is gas actually connected? Yes | When? 1-26-90 |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

| | | | | | | | | |
|------------------------------------|-----------------------------|----------|-----------------|----------|--------|-------------------|------------|------------|
| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'v | Diff Res'v |
| Date Spudded | Date Compl. Ready to Prod. | | Total Depth | | | P.B.T.D. | | |
| Elevations (DF, RKB, RT, GR, etc.) | Name of Producing Formation | | Top Oil/Gas Pay | | | Tubing Depth | | |
| Perforations | | | | | | Depth Casing Shoe | | |

TUBING, CASING AND CEMENTING RECORD

| | | | |
|-----------|----------------------|-----------|--------------|
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
| | | | |
| | | | |
| | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

| | | | |
|--------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tank | Date of Test | Producing Method (Flow, pump, gas lift, etc.) | |
| Length of Test | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil - Bbls. | Water - Bbls. | Gas- MCF |

GAS WELL

| | | | |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

OIL CONSERVATION DIVISION

Date Approved

JAN 31 1990

RECEIVED
OPERATION DIVISION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

58

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" for such proposals.

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. NAME OF OPERATOR
YATES PETROLEUM CORPORATION (505) 748-1471
3. ADDRESS OF OPERATOR
105 South 4th St., Artesia, NM 88210
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1980' FSL & 660' FWL, Sec. 11-20S-24E

5. LEASE DESIGNATION AND SERIAL NO
NM 043625
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A
7. UNIT AGREEMENT NAME
N/A
8. FARM OR LEASE NAME
Saguaro AGS Federal Com
9. WELL NO.
1
10. FIELD AND POOL, OR WILDCAT
Wildcat Morrow
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Unit L
Sec. 11-T20S-R24E NMPM
12. COUNTY OR PARISH
Eddy
13. STATE
NM

14. PERMIT NO.
API #30-015-26206
15. ELEVATIONS (Show whether DF, RT, GR, etc.)
3641' GR

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
(Other) ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
ABANDON* ☐
CHANGE PLANE ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☒
FRACTURE TREATMENT ☐
SHOOTING OR ACIDIZING ☐
(Other) ☐
REPAIRING WELL ☐
ALTERING CASING ☐
ABANDONMENT* ☐

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded 26" hole at 9:30 AM 11-10-89. Set 40' of 20" conductor pipe and cemented w/3-1/2 yards redi-mix to surface. Notified BLM, Carlsbad, NM, answering service of spud. Resumed drilling 14-3/4" hole 11:30 PM 11-13-89. Lost circulation at 280'. Pumped LCM pills, no results. Dry drilling. Ran 28 joints 10-3/4" 40.5# J-55 ST&C casing set 1197'. Guide shoe set 1197', insert float set 1153'. Cemented w/300 sx Pacesetter Lite w/1/2# Celloseal, 10# Hyseal and 3% CaCl2 (yield 1.84, wt 12.7). Followed w/200 sx Class C w/2% CaCl3 (yield 1.32, wt 14.8). PD 2:00 PM 11-16-89. Bumped plug, float held okay. Cement did not circulate. WOC 5 hrs. Ran Temp. Survey and found TOC 300'. Ran 1". Tag cement at 282'. Spot 50 sx Class C w/6% CaCl2. PD 8:45 PM 11-16-89. WOC 3/4 hr. Ran 1". Tag cement 282'. Spot 30 sx Class C w/6% CaCl2. PD 9:45 PM 11-16-89. WOC 2 hrs. Ran 1". Tag cement 240'. Spot 170 sx Class C w/4% CaCl2. PD 12:30 AM 11-17-89. Circulated 10 sx to surface. Drilled out 1:00 PM 11-17-89. WOC 23 hours. NU and tested casing to 1000 psi. Reduced hole to 9-1/2". Drilled plug and resumed drilling.

RECEIVED FOR FILE

Ad

NOV 28 1989

CARLSBAD, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED John A. Dardley TITLE Production Supervisor DATE 11-21-89

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER

54
BIM Roswell District
Modified Form No.
NM60-3160-4

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" for such proposals.)

| | | | | | | | |
|---|--|---|--|---|--|--|--|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 3. ADDRESS OF OPERATOR 105 South 4th St., Artesia, NM 88210 | | 31. AFTER RECEIVED HOME NO. 505/748-1471 | | 5. LEASE DESIGNATION AND SERIAL NO. NM 043625 | |
| 2. NAME OF OPERATOR YATES PETROLEUM CORPORATION | | 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FSL & 660' FWL, Sec. 11-20S-24E | | JAN 18 '90 O. C. D. ARTESIA, OFFICE | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 14. PERMIT NO. 30-015-26206 | | 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3641' GR | | 7. UNIT AGREEMENT NAME N/A | | 8. FARM OR LEASE NAME Saguaro AGS Federal Com | |
| | | | | 9. WELL NO. 1 | | 10. FIELD AND POOL, OR WILDCAT Undes. Canyon | |
| | | | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit L, Sec. 11-T20S-R24E | | 12. COUNTY OR PARISH Eddy | |
| | | | | | | 13. STATE NM | |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

| | | | |
|---------------------|--------------------------|----------------------|--------------------------|
| TEST WATER SHUT-OFF | <input type="checkbox"/> | PULL OR ALTER CASING | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | MULTIPLE COMPLETE | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | ABANDON* | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | CHANGE PLANS | <input type="checkbox"/> |
| (Other) | <input type="checkbox"/> | | <input type="checkbox"/> |

SUBSEQUENT REPORT OF:

| | | | |
|---------------------------|-------------------------------------|-----------------|-------------------------------------|
| WATER SHUT-OFF | <input type="checkbox"/> | REPAIRING WELL | <input type="checkbox"/> |
| FRACTURE TREATMENT | <input type="checkbox"/> | ALTERING CASING | <input type="checkbox"/> |
| SHOOTING OR ACIDIZING | <input type="checkbox"/> | ABANDONMENT* | <input type="checkbox"/> |
| (Other) Perforate & Treat | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

TD 9480'; PBD 8350'.
Drilled DV tool at 5521'. Cleaned out to float collar at 8220'. Circulated hole clean.
Perforated 7667-7777 w/23 .42" holes as follows: 7667, 69, 71, 73, 75, 77, 79, 91, 93, 95, 7722, 25, 28, 31, 33, 57, 59, 61, 67, 69, 72, 75 and 7777'. Treated perfs w/4500 gals 20% NEFE acid. Reperforated 7660-7780' w/240 - .42" holes (2 SPF).
Treated down casing and tubing w/25000 gals 20% NEFE acid in three stages with two drops of rock salt block (800#) and 170 ball sealers.

RECEIVED
JAN 9 11 30 AM '90
OCT 11 1989
ACC. FOR RECORD
Adc
JAN 11 1990
CARLSBAD, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature]
(This space for Federal or State office use)

TITLE Production Supervisor

DATE 1-5-90

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUBMIT IN TRIPPLICATE
(Other Instructions apply)
MIL OIL COMMISSION

Form approved
Budget Bureau No. 1004-1
Expires August 31, 1985
5. LEASE DESIGNATION
NM-043625

RECEIVED

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" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1980' FSC & 660' FWL

14. PERMIT NO.
3641

15. ELEVATIONS (Show whether DF, RT, CR, etc.)
3641

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
O. C. D.

8. FARM OR LEASE NAME
ARTESIA, OFFICE
Saguaro "AGS" fed. Com

9. WELL NO.
1

10. FIELD AND POOL OR WILDCAT
Wildcat Morrow

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA
Sec. 11-T20S-R24E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|-------------------------|--------------------------|-----------------------|-------------------------------------|
| TEST WATER SHUT-OFF | <input type="checkbox"/> | PULL OR ALTER CASING | <input checked="" type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | MULTIPLE COMPLETE | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | ABANDON* | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | CHANGE PLANS | <input type="checkbox"/> |
| (Other) | <input type="checkbox"/> | (Other) | <input type="checkbox"/> |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates wishes to change the proposed casing program to:

| Size of Hole | Size of Casing | Weight per foot | Setting Depth | Cement |
|--------------|----------------|-----------------------|---------------|----------------------|
| 14 3/4" | 10 3/4" | 40.5# | Approx. 1200 | 800 sacks circulated |
| 9 1/2" | 7 5/8" | 26.4# & 29.7# & 33.7# | TD | As Warranted |

RECEIVED
OCT 16 9 53 AM '89
CATTLE
AREA HEADQUARTERS

CONSERVATION DIVISION
RECEIVED

OCT 13 AM 9.24

18. I hereby certify that the foregoing is true and correct

SIGNED David R. Glass TITLE Landman DATE 10-12-89

(This space for Federal or State office use)
APPROVED BY (ORIG. SGD.) DAVID R. GLASS TITLE PETROLEUM ENGINEER DATE 10-18-89

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM OIL CONSERVATION DIVISION
DRAWING NO. DD
NM 88210

SUBMIT IN TRIPLICATE*

30-015-26206
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. NAME OF OPERATOR
Yates Petroleum Corporation
3. ADDRESS OF OPERATOR
105 South Fourth, Artesia, New Mexico 88210
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface
1980' FSL & 660' FWL
At proposed prod. zone
Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 29 miles southwest of Artesia, New Mexico
15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 660'
16. NO. OF ACRES IN LEASE
17. NO. OF ACRES ASSIGNED
TO THIS WELL
320
18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
19. PROPOSED DEPTH
9600'
20. ROTARY OR CABLE TOOLS
Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3641
22. APPROX. DATE WORK WILL START*
ASAP

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|----------------------|
| 14 3/4" | 9 5/8" | 32# | Approx. 1200' | 800 sacks circulated |
| 8 3/4" | 7" | 20# & 23# | TD | as warranted |

We propose to drill and test the Morrow and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW GEL/LCM to 1200'; FW to 4500'; Cut Brine to 7500'; Drispak/starch to 9100'; S. GEL/Dris/St. to TD.

BOP PROGRAM: BOP's and hydril will be installed on 9 5/8" casing and tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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.

SIGNED Ken Beardsley TITLE Landman DATE 9-19-89

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
Orig. Signed by Richard L. Manus AREA MANAGER
APPROVED BY TITLE CARLSBAD RESOURCE AREA DATE 9/29/89
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.

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.

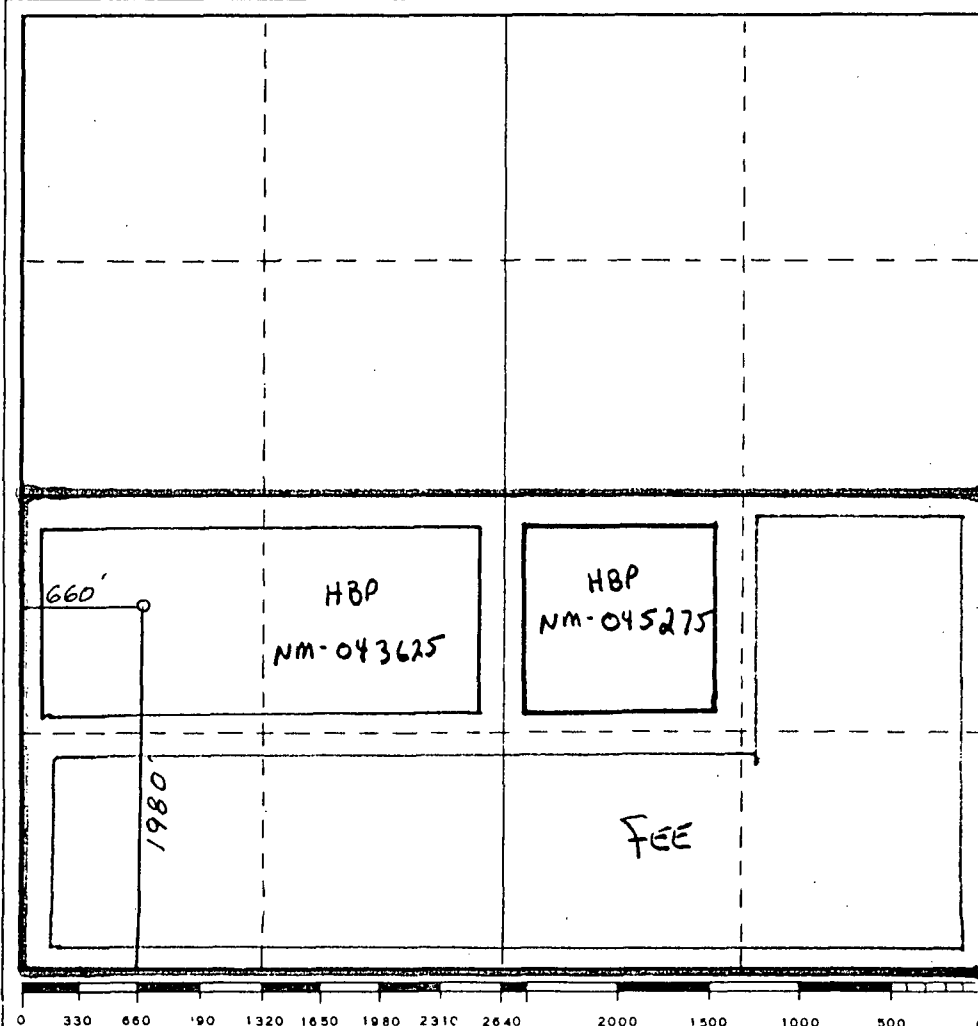
| | | | | | |
|---|--------------------------------------|-----------------------------|---|------------------------------------|--|
| Operator YATES PETROLEUM CORPORATION | | | Lease Saguaro AGS Federal Com | | Well No. 1 |
| Unit Letter L | Section 11 | Township 20 South | Range 24 East | County Eddy County, N.M. | |
| Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line | | | | | |
| Ground Level Elev. 3641. | Producing Formation Morrow | | Pool Wildcat Morrow | | Dedicated Acreage: 320 Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 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 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.

Name Ken Beardsley
Position LANDMAN
Company Yates Petroleum Corporation
Date 9-12-89

I hereby certify 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 are true and correct to the best of my knowledge and belief.

Date Surveyed
September 2, 1989
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS NO. 5412

EXHIBIT "g"

Blowout Preventer Diagram

