

Yates Petroleum Corporation

Case 13222

Box Canyon Abo Pool – Temporary Special Rules

1. Yates seeks
 - a. Establish the Box Canyon Abo Gas Pool
 - b. Temporary Special Rules
 - 320-acre spacing unit
 - second well allowed in other 160 acres
 - 660-foot setbacks
2. This Abo gas pool would have same rules as deep (Morrow) gas pools.
3. Area covered = N/2 Section 36-21S-21E in Eddy County
4. Yates drilled Duvel BCD State Com #1 – API = 3000532983
 - a. Location 710 N & 1980 W, Section 36-21S-21E
 - b. Spud October 6, 2003
 - c. DST Abo at 3560-3671 for 227 Mcf/D
 - d. Total depth = 8700 feet in Chester Limestone below Morrow
 - e. Test Barnett Shale at 8588-8624 → 397 Mcf/D
 - f. Test Morrow at 8368-8404 → 15 BW per hour
 - g. Test Permo-Penn at 7300-7322 → Tight
 - h. Test Permo-Penn at 6444-6890 → 107 Mcf/D
 - i. Test Permo-Penn at 6004-6210 → 315 Mcf/D
 - j. Test Abo at 3580-3850 → Maximum = 826 Mcf/D
 - k. Complete December 22, 2003 for 195 Mcf/D from Abo
5. Abo mud-log shows suggest Abo gas pool could encompass six sections and maybe twenty-five wells or so. It would be convenient (for commingling, for example) to have the same 320-acre spacing and same ownership for both deep zones and shallower Abo.
6. Example in E/2 Section 35-21S-21E where ownership seems more fair under this proposal.