



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

September 9, 1996

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

Attention: Robert Bullock

Case 11621

*RE: Administrative Application for an Unorthodox Gas Well Location.  
Papalotes Unit Well No. 1 (API No. 30-025-33275); 1960'FSL-330'FEL  
(Unit I) of Section 34, Township 14 South, Range 34 East, NMPM, Atoka  
formation, Lea County, New Mexico.*

Dear Mr. Bullock:

The subject application dated August 28, 1996 cannot be approved administratively. Division General Rule 104.F(2) states that:

"The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon".

Since the subject well was deepened from a shallower Strawn oil well location to an Atoka gas well location it will be necessary to bring this matter to hearing. I have therefore caused this matter to be set on the docket for the next available Division Examiners hearing scheduled for October 3, 1996.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185 or through the e-mail at "[MIKSTOGNER@EMNRDSF.STATE.NM.US](mailto:MIKSTOGNER@EMNRDSF.STATE.NM.US)".

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
William F. Carr - Santa Fe

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

August 28, 1996

Case 11621

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**CERTIFIED MAIL**  
Return Receipt Requested

RE: Application for Unorthodox Location  
Papalotes Unit No. 1  
Undesignated Atoka Gas Pool  
Township 14 South, Range 34 East  
Section 34: E/2  
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Atoka gas well, the Papalotes Unit No. 1. The well is located on State of New Mexico minerals at a location of 1960' FSL and 330' FEL of Section 34, T14S-R34E, Lea County, New Mexico.

The initial plans were to drill and complete the well as a Strawn oil well at the above location which is orthodox, however, the well was dry in the Strawn. The well was then deepened to 13,660' (top of Chester) and subsequently completed as an Atoka gas producer with the location now being unorthodox for the Atoka gas well completion.

Enclosed are original Forms C-101, C-102, C-105 and a land plat showing all offset operators. Also is an amended C-102 revising dedication of well to 320 acres.

Notification to the offset operators was made by certified mail on August 28, 1996, including a copy of this application letter with all attachments. We request that this unorthodox location be administratively approved in no objections are received within the cited twenty (20) days or earlier if waivers are received.

Yates Petroleum Corporation believes approval of the unorthodox Papalotes Unit No. 1 well will be in the best interest of conservation, will protect correlative rights and will allow for the most complete recovery of gas-in-place.

Thank you for your assistance. Please call me at (505)748-4351 if you need further information.

Very truly yours,

**YATES PETROLEUM CORPORATION**

  
Robert Bullock  
Landman

RB:bn  
enclosure(s)

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-101  
 Revised February 10, 1994

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30-025-33275
<sup>4</sup> Property Code 18340	<sup>5</sup> Property Name Papalotes	<sup>6</sup> Well No. #1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
II	34	14S	34E		1960	South	330	East	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1					<sup>10</sup> Proposed Pool 2				
Wildcat Strawn									

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code 0	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4092'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 12,100'	<sup>18</sup> Formation Strawn	<sup>19</sup> Contractor Undesignated	<sup>20</sup> Spud Date 2-1-96

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	450'	550	Circulate
11"	8 5/8"	32#	4400'	1050	Circulate
7 7/8"	5 1/2"	15 & 17#	TD	1350	As Required

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

We propose to drill and test the Strawn and intermediate zones. Approximately 450' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4400' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 450'; Brine to 4400'; Cut Brine, Starch to 9800'; Salt Gel and Starch to TD.

BOPE PROGRAM: BOPE will be installed on the intermediate casing and tested daily for operational.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Cy Cowan*  
 Printed name: Cy Cowan  
 Title: Land Technician  
 Date: 1-23-96  
 Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by: **Orig. Signed by Paul Kautz**  
 Title: **Geologist**  
 Approval Date: **JAN 24 1996**  
 Expiration Date:  
 Conditions of Approval:  
 Attached

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

Sent to partner 2/12/96 RMB

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33275		2 Pool Code		3 Pool Name Wildcat Strawn	
4 Property Code 18340		5 Property Name PAPALOTES UNIT			6 Well Number 1
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 4092

10 Surface Location

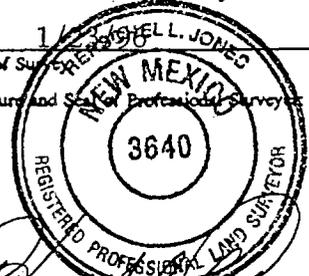
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	34	14S	34E		1960	South	330	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i> Signature</p> <p>Cy Cowan Printed Name</p> <p>LAND TECHNICIAN Title</p> <p>1/24/96 Date</p>
			<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>1/24/96 Date of Survey</p> <p><i>PRENSBY L. JONES</i> Signature and Seal of Professional Surveyor</p> <p></p> <p>3640 Certificate Number</p>	
			<p>VA-0357</p> <p>330'</p> <p>1960'</p>	

PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

STATE OF NEW MEXICO  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33275		2 Pool Code		3 Pool Name Wildcat Morrow	
4 Property Code 018340		5 Property Name Papalotes Unit			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 4092'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	34	14S	34E		1960	South	330	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Rusty Klein Printed Name Production Clerk Title April 11, 1996 Date
				18 SURVEYOR CERTIFICATION <i>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 belief.</i>  REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number	
VA-0357 330' 1960'					
BUSINESS CENTER CO.					

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**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.  
 30-025-33275

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 VA-0357

7. Lease Name or Unit Agreement Name  
 Papalotes Unit

8. Well No.  
 1

9. Pool name or Wildcat  
 Undesignated Atoka

**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  OTHER \_\_\_\_\_

2. Name of Operator  
 YATES PETROLEUM CORPORATION (505) 748-1471

3. Address of Operator  
 105 South 4th St., Artesia, NM 88210

4. Well Location  
 Unit Letter I : 1960 Feet From The South Line and 330 Feet From The East Line  
 Section 34 Township 14S Range 34E NMPM Lea County

10. Date Spudded 3-27-96 11. Date T.D. Reached 4-10-96 12. Date Compl. (Ready to Prod.) 6-11-96 13. Elevations (DF & RKB, RT, GR, etc.) 4092' GR 14. Elev. Casinghead

15. Total Depth 13660' 16. Plug Back T.D. 13280' 17. If Multiple Compl. How Many Zones? \_\_\_\_\_ 18. Intervals Drilled By Rotary Tools 40-13660' Cable Tools \_\_\_\_\_

19. Producing Interval(s), of this completion - Top, Bottom, Name 12634-12654' Atoka 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run BHC, CNL/LDC & Micro SFL 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
20"		40'	26"	Cement to surface	
13-3/8"	48#	450'	17-1/2"	475 sx - circulate	
8-5/8"	32#	4624'	11"	1750 sx - circulate	
5-1/2"	17#	13660'	7-7/8"	1900 sx	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	12551'	12559'

26. Perforation record (interval, size, and number)  
 10584-10642' w/14 .42" holes - squeezed; 10439-10468' w/9 .42" holes - squeezed; 10524-10530' w/4 .42" holes - squeezed; 13414-13422' w/19 .42" holes; 13315-13358' w/32 .42" holes & 12634-12654' w/40 .42" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED  
 SEE ATTACHED SHEET

**28. PRODUCTION**

Date First Production 6-1-96 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) SIWOPLC

Date of Test 6-11-96 Hours Tested 24 Choke Size 32/64" Prod'n For Test Period \_\_\_\_\_ Oil - Bbl. \_\_\_\_\_ Gas - MCF 1400 Water - Bbl. \_\_\_\_\_ Gas - Oil Ratio \_\_\_\_\_

Flow Tubing Press. 225# Casing Pressure packer Calculated 24-Hour Rate \_\_\_\_\_ Oil - Bbl. \_\_\_\_\_ Gas - MCF 1400 Water - Bbl. \_\_\_\_\_ Oil Gravity - API - (Corr.) \_\_\_\_\_

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Will be sold when hookup available Test Witnessed By Mike Allen

30. List Attachments  
Drill Stem Tests, 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 Rusty Klein Printed Name Rusty Klein Title Operations Tech. Date 7-3-96

# 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

### Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____ 11950'	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____ 12122'	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 2964'	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 4488'	T. Simpson _____	T. Gallup _____	T. Ignacio Otzi _____
T. Glorieta _____ 5240'	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____ 7400'	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____ 8080'	T. Ruslter _____ 1830'	T. Wingate _____	T. _____
T. Wolfcamp _____ 9787'	T. Morrow Lime _____ 13026'	T. Chinle _____	T. _____
T. Penn Shale _____ 11392'	T. Chester _____ 13538'	T. Permain _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....  
 No. 2, 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	450	450	Surface				
450	1909	1459	Redbed & anhydrite				
1909	3400	1491	Anhydrite & salt				
3400	3860	460	Anhydrite				
3860	4238	378	Anhydrite & sand				
4238	4511	273	Anhydrite				
4511	4624	113	Dolomite & anhydrite				
4624	8493	3869	Dolomite				
8493	8772	279	Dolomite, shale & anhy				
8772	9832	1060	Dolomite & shale				
9832	10482	650	Dolomite & lime				
10482	10770	288	Lime				
10770	11301	531	Lime & sand				
11301	12534	1233	Lime				
12534	12635	101	Shale & sand				
12635	13166	531	Lime, shale & sand				
13166	13374	208	Chert, lime & shale				
13374	13660	286	Lime, shale & sand				

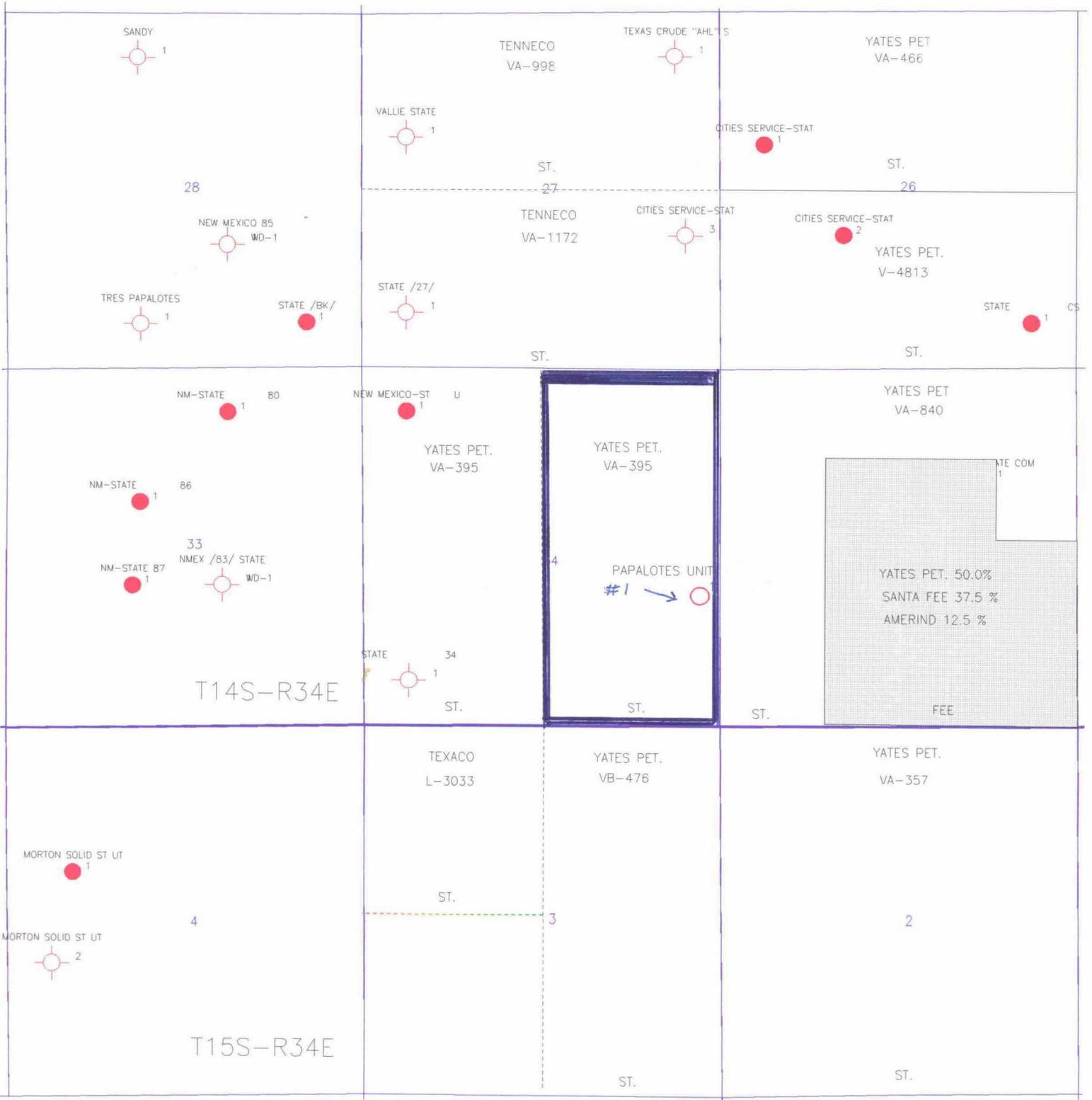
LIST OF OFFSET OPERATORS

SANTA FE RESOURCES, INC.  
550 W. TEXAS  
MIDLAND, TEXAS 79701

AMERIND OIL CO., LTD.  
415 W. WALL, SUITE 500  
MIDLAND, TEXAS 79701

TENNECO VENTURES  
PO BOX 2511  
HOUSTON, TEXAS 77252-2511

TEXACO INC.  
PO BOX 3109  
MIDLAND, TEXAS 79702



FEE



STATE

Yates Petroleum Corporation		
PAPANOTES AREA LEA COUNTY, NEW MEXICO PAPANOTES UNIT NO. 1 SEC 34 T14S R34E		
LAND- R. BULLOCK	330' FEL 1960' PSL	8/28/96
DRAFT-JF	Scale 1:24000.	

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1966



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

August 28, 1996

*Case 11621*

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**CERTIFIED MAIL**  
Return Receipt Requested

RE: Application for Unorthodox Location  
Papalotes Unit No. 1  
Undesignated Atoka Gas Pool  
Township 14 South, Range 34 East  
Section 34: E/2  
Lea County, New Mexico

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Thank you for your assistance. Please call me at (505)748-4351 if you need further information.

Very truly yours,

**YATES PETROLEUM CORPORATION**

  
Robert Bullock  
Landman

RB:bn  
enclosure(s)

PO Box 1980, Hobbs, NM 88241-1980  
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STATE OF NEW MEXICO  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-10  
 Revised February 10, 1999  
 Instructions on back:  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address: YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
		API Number 30-025-33275
Property Code 19340	Property Name Papalotes	Well No. #1

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2I	34	14S	34E		1960	South	330	East	Lea

**Proposed Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Wildcat Strawn					Proposed Pool 2				

Work Type Code N	Well Type Code 0	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 4092'
Multiple No	Proposed Depth 12,100'	Formation Strawn	Contractor Undesignated	Spud Date 2-1-96

**Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	450'	550	Circulate
11"	8 5/8"	32#	4400'	1050	Circulate
7 7/8"	5 1/2"	15 & 17#	TD	1350	As Required

**Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.**

We propose to drill and test the Strawn and intermediate zones. Approximately 450' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4400' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

**MUD PROGRAM:** Spud mud to 450'; Brine to 4400'; Cut Brine, Starch to 9800'; Salt Gel and Starch to TD.

**BOPE PROGRAM:** BOPE will be installed on the intermediate casing and tested daily for operational.

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

Signature: *Cy Cowan*  
 Printed name: Cy Cowan  
 Title: Land Technician  
 Date: 1-23-96  
 Phone: 505-748-1471

**OIL CONSERVATION DIVISION**

Approved by: **Drig. Signed by Paul Kautz**  
 Title: **Geologist**

Approval Date: **JAN 24 1996**      Expiration Date:  
 Conditions of Approval:  
 Attached

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

sent to father 2/12/96 RMB

PO Box 1760, Artesia, NM 88211-1760  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Department

Revised February 10, 1994

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33275		2 Pool Code		3 Pool Name Wildcat Strawn	
4 Property Code 18340		5 Property Name PAPALOTES UNIT			6 Well Number 1
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 4092

10 Surface Location

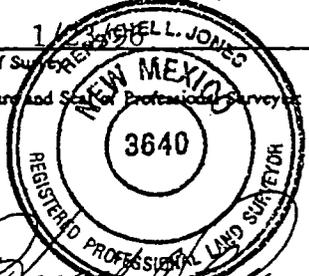
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	34	14S	34E		1960	South	330	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <i>Cy Cowan</i> Signature Cy Cowan Printed Name LAND TECHNICIAN Title 6/24/96 Date
			18 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 belief.  1 / 24 / 1996 Date of Survey SHELL L. JONES Signature and Seal of Professional Surveyor  Certificate Number 3640	
			VA-0357 330' 1960'	

PO Box 1799, Lordsburg, NM 87411-1799  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIV. .ON  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Revised February 10, 1996  
 Instructions on  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33275		Pool Code	Pool Name Wildcat Morrow
Property Code 018340	Property Name Papalotes Unit		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 4092'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	34	14S	34E		1960	South	330	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				

17 OPERATOR CERTIFICATION

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

Signature  
 Rusty Klein  
 Printed Name  
 Production Clerk  
 Title  
 April 11, 1996  
 Date

18 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 belief.

REFER TO ORIGINAL PLAT  
 Date of Survey  
 Signature and Seal of Professional Surveyer:

Certificate Number

VA-0357

330'

1960'

Davidson  
 2018  
 500

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

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

WELL API NO.  
 30-025-33275

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 VA-0357

7. Lease Name or Unit Agreement Name  
 Papalotes Unit

8. Well No.  
 1

9. Pool name or Wildcat  
 Undesignated Atoka

**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  DPP RESVR  OTHER \_\_\_\_\_

2. Name of Operator  
 YATES PETROLEUM CORPORATION (505) 748-1471

3. Address of Operator  
 105 South 4th St., Artesia, NM 88210

4. Well Location  
 Unit Letter I : 1960 Feet From The South Line and 330 Feet From The East Line

Section 34 Township 14S Range 34E NMPM Lea County

10. Date Spudded RH 1-31-96 RT 2-27-96	11. Date T.D. Reached 4-10-96	12. Date Compl. (Ready to Prod.) 6-11-96	13. Elevations (DF & RKB, RT, GR, etc.) 4092' GR	14. Elev. Casinghead
15. Total Depth 13660'	16. Plug Back T.D. 13280'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 40-13660'	Cable Tools

19. Producing interval(s), of this completion - Top, Bottom, Name  
 12634-12654' Atoka

20. Was Directional Survey Made  
 No

21. Type Electric and Other Logs Run  
 BHC, CNL/LDC & Micro SFL

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
20"		40'	26"	Cement to surface	
13-3/8"	48#	450'	17-1/2"	475 sx - circulate	
8-5/8"	32#	4624'	11"	1750 sx - circulate	
5-1/2"	17#	13660'	7-7/8"	1900 sx	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	12551'	12559'

26. Perforation record (interval, size, and number)  
 10584-10642' w/14 .42" holes - squeezed; 10439-10468' w/9 .42" holes - squeezed; 10524-10530' w/4 .42" holes - squeezed; 13414-13422' w/19 .42" holes; 13315-13358' w/32 .42" holes & 12634-12654' w/40 .42" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED  
 SEE ATTACHED SHEET

**28. PRODUCTION**

Date First Production 6-1-96		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) SIWOPLC	
Date of Test 6-11-96	Hours Tested 24	Choke Size 32/64"	Prod'n For Test Period	Oil - Bbl. 1400	Gas - MCF 1400	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press. 225#	Casing Pressure packer	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 1400	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
 Will be sold when hookup available

Test Witnessed By  
 Mike Allen

30. List Attachments  
 Drill Stem Tests, 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 Rusty Klein Printed Name Rusty Klein Title Operations Tech. Date 7-3-96

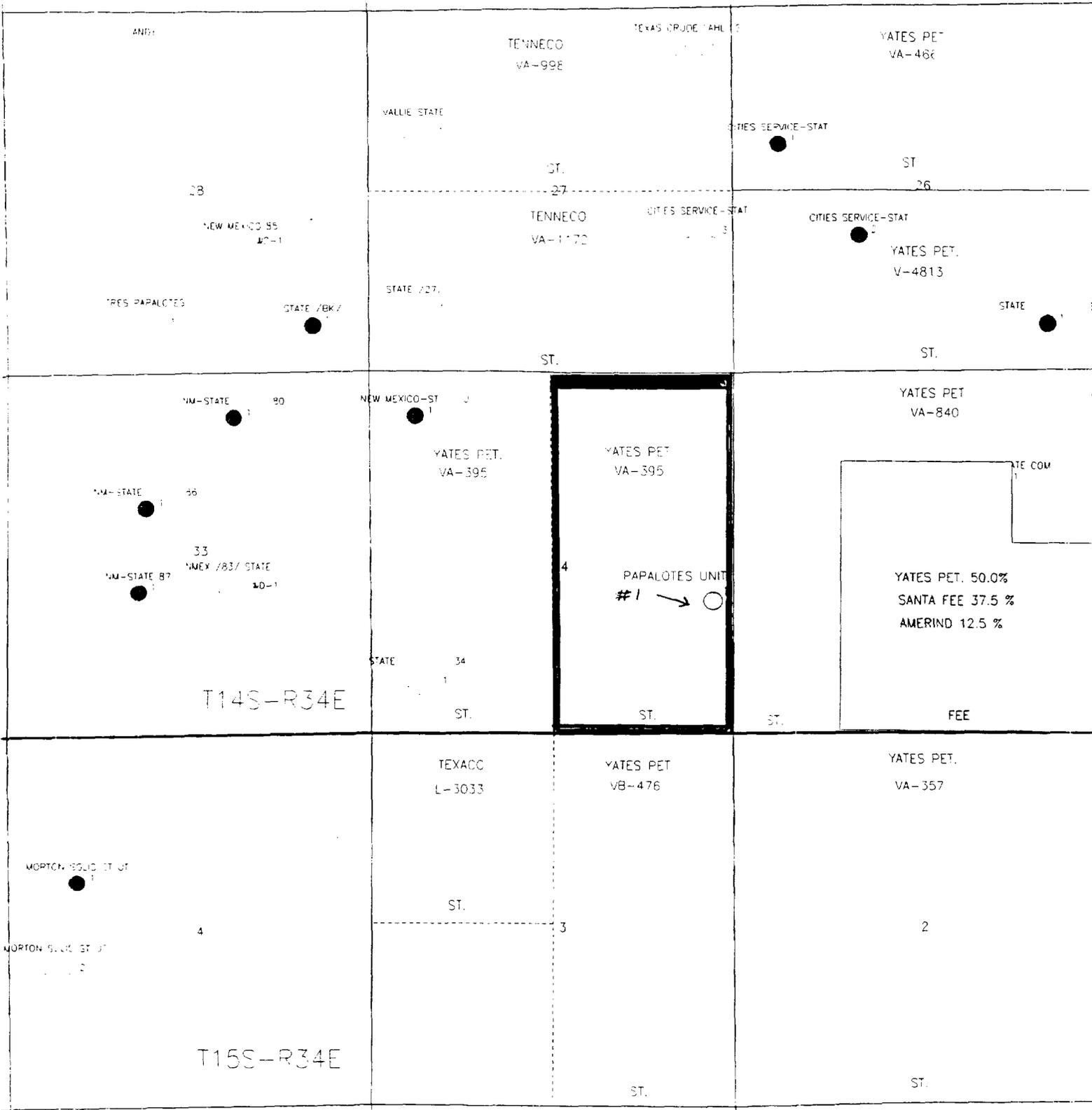
LIST OF OFFSET OPERATORS

SANTA FE RESOURCES, INC.  
550 W. TEXAS  
MIDLAND, TEXAS 79701

AMERIND OIL CO., LTD.  
415 W. WALL, SUITE 500  
MIDLAND, TEXAS 79701

TENNECO VENTURES  
PO BOX 2511  
HOUSTON, TEXAS 77252-2511

TEXACO INC.  
PO BOX 3109  
MIDLAND, TEXAS 79702



T14S-R34E

T15S-R34E



FEE



STATE

Yates Petroleum Corporation

PAPALOTES AREA  
LEA COUNTY, NEW MEXICO  
PAPALOTES UNIT NO. 1 SEC 34 T14S R34E

LAND - P. BULLOCK	530' FEET 1960' FSL	8/28/96
DRAWN - J	Scale 1:24000	