

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 
Ernest L. Carroll
P.O. Box 1720
Artesia, NM 88211-1720
(505)746-3505

Attorneys for Applicant

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

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

Form C-101
Revised February 10, 1994
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 - 0
Property Code	Property Name Jacque AQJ State	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	34	21S	31E		1650'	South	330'	West	Eddy

Proposed Bottom Hole Location If Different From Surface

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

Proposed Pool 1 Undesignated Delaware	Proposed Pool 2
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Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3462'
Multiple No	Proposed Depth 3150'	Formation Delaware	Contractor Undesignated	Spud Date ASAP

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"	54.5#	850'	850 sx	Circulate
11"	8 5/8"	32.0#	4500'	2500 sx	Circulate
7 7/8"	5 1/2"	17 & 10#	TD	As warranted	Tie Back

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.

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 850' so surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented to tie-back to the 8 5/8" casing. Will perforate and stimulate as needed for production.

MUD PROGRAM: Native Mud to 850'; Brine to 4500'; Cut Brine to TD.

BOPE PROGRAM: BOPE will be installed on the 13 5/8" casing and tested daily.

A LETTER HAS BEEN SENT TO MISSISSIPPI POTASH.

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

Signature: *Clifton R. May*
Printed name: Clifton R. May
Title: Regulatory Agent
Date: October 6, 1997
Phone: (505) 748-1

OIL CONSERVATION DIVISION
Approved by:
Title:
Approval Date:
Expiration Date:

EXHIBIT
1

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
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Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Undesignated Delaware
Property Code	Property Name JACQUE "AQJ" STATE	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3462

Surface Location

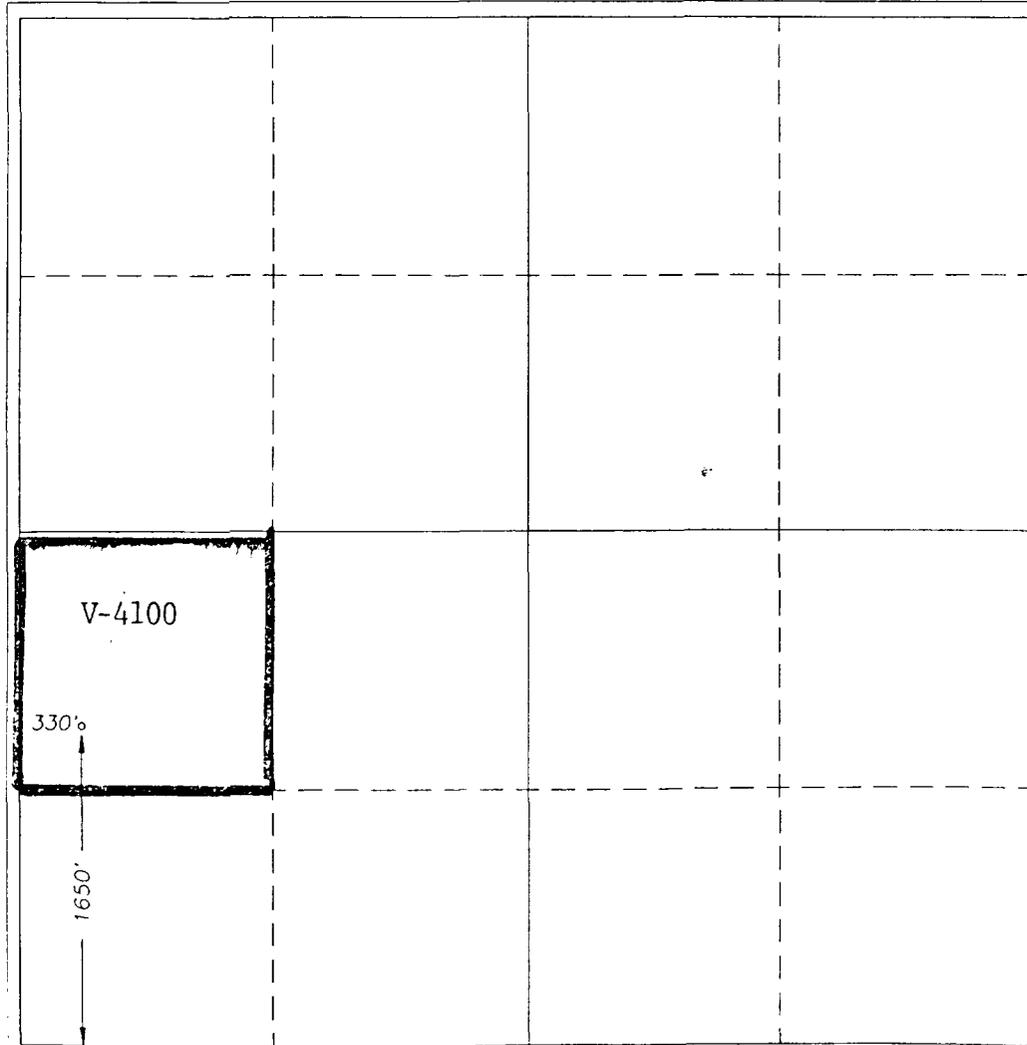
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	34	21S	31E		1650	SOUTH	330	WEST	EDDY

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

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

Clifton R. May
Signature

Clifton R. May
Printed Name

Regulatory Agent
Title

October 6, 1997
Date

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.

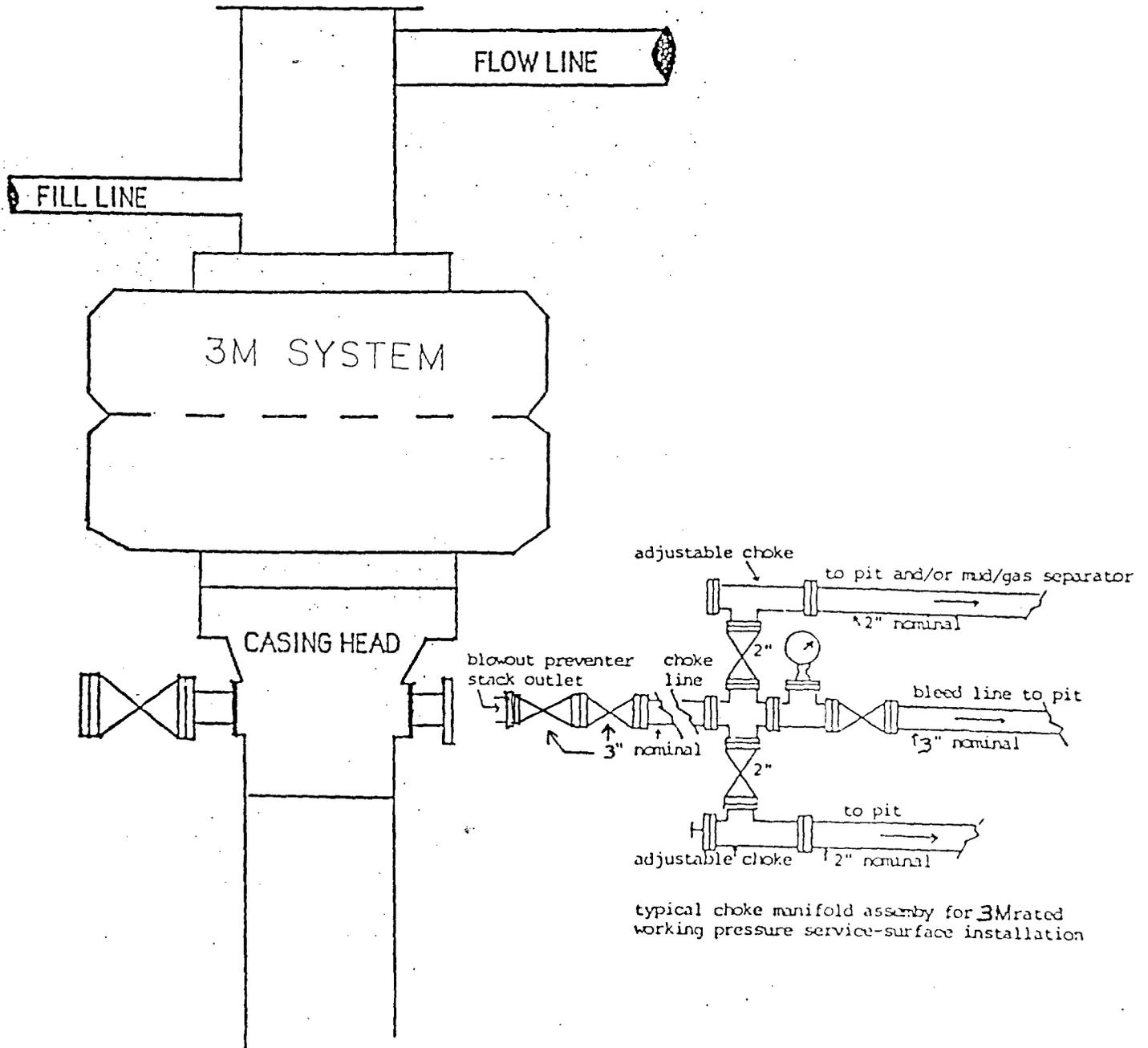
10/04/97
Date Surveyed

Herb Schell Jones
Signature

HERB SHELLE JONES
NEW MEXICO
3640
Professional Surveyor

Certification No. 3640
JACQUE "AQJ" STATE
GENERAL SURVEYING COMPANY

YATES PETROLEUM CORPORATION



MARTIN YATES, III
1972 - 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

October 3, 1997

Mississippi Potash
P.O. Box 101
Carlsbad, New Mexico 88220

Gentlemen:

Yates Petroleum Corporation is the operator of the State of New Mexico Oil and Gas Lease V-1400. The Jacque "AQJ" State #2 well location is being staked and a permit to drill is being submitted to the State of New Mexico. We plan to drill this well at the following location:

Jacque "AQJ" State #2
1650' FSL and 330' FWL
Section 34, T21S-R31E
Eddy County, New Mexico

This location will be drilled as a Delaware producer and will be low pressure only. No high pressure will be encountered either in the drilling or production of this well.

This well location is greater than one quarter of a mile from the designated LMR and will not create any dangerous conditions or encroach on any potential potash reserves.

We respectfully request that Mississippi Potash waive any objection that Mississippi Potash may have to this location and so indicate by signing and returning one copy of this letter to Yates Petroleum Corporation.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

/cyc
Enclosures

We hereby waive any objection to the drilling of this well.

MISSISSIPPI POTASH

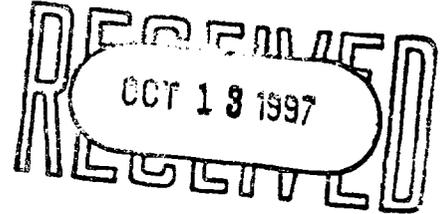
By: _____

Title: _____

Date: _____



October 10, 1997



Oil Conservation Division
811 S. 1st St.
Artesia, NM 88210

Attention: Mr. Ray Smith

Re: Jacque "AQJ" State #2
1650' FSL and 330' FWL
Section 34, T21S-R31E
Eddy County, New Mexico

Dear Ray:

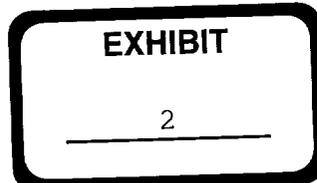
In accordance with the State of New Mexico, Energy, Minerals and Natural Resources Department Oil Conservation Commission Order R-111-P, Mississippi Potash, Inc. objects to the proposed Jacque "AQJ" State #2 well. This well is located in the quarter mile buffer zone of our LMR.

Sincerely,

Jill Farnsworth
Chief Mine Engineer

Cc: Mr. William J. LeMay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Mr. Randy G. Patterson
Land Manager
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210



P.O. Box 101 • 1996 Potash Mines Road • Carlsbad, New Mexico 88220
Phone (505) 887-5591 • FAX (505) 887-0705

10-16-97
Mississippi Potash, Inc.
Artesia, NM