

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

April 28, 1999

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

Certified Mail  
Return Receipt Requested

RE: Application for Unorthodox Well Location  
Concho "ACT" State Com #1 Well  
Township 17 South, Range 27 East  
Section 8: N/2  
Eddy County, New Mexico

Dear Mr. Stogner:

We believe this API No. 30-015-30472 has been withdrawn by Concho Resources.  
Please process Yates' application for an unorthodox gas well location

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock  
Landman

RB:bn  
enclosure(s)

**CONCHO RESOURCES INC.**

Suite 410

110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

April 28, 1999

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

**Sundry Notice/APD Cancellation**  
**Chama "8" Federal Com #1 Well**  
**T17S, R27E, NMPM**  
**1650' FEL & 660' FNL of Section 8,**  
**Eddy County, New Mexico**  
**Chama Prospect (771117)**

Gentlemen:

Reference is made to your previous correspondence with Yates Petroleum Corporation of Artesia, New Mexico, regarding their application for the Concho "ACT" State Com #1 Well. Your office has rejected Yates' application due to Concho's previously proposed Chama "8" Federal Com #1 Well.

Concho has prepared and sent the BLM Office a Sundry Notice requesting APD cancellation for the Chama "8" Federal Com #1 Well – API #30-015-30472 (a copy is enclosed). As noted on the enclosed copy, the Sundry Notice has been approved as of April 13, 1999 by the BLM. Please consider this approved Sundry Notice as Concho's written request to withdraw application to drill said well. Thank you for your assistance in this matter.

Sincerely,

CONCHO RESOURCES INC.

  
Van Rodgers

cc: Mr. Robert Bullock  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Concho Resources Inc.

3. Address and Telephone No.  
110 W. Louisiana, Ste 410; Midland Tx 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1650' FEL & 660' FNL, UL - B; Sec 8, T-17S, R-27E

5. Lease Designation and Serial No.  
NM98809

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
Chama '8' Federal Com #1

9. API Well No.  
30015 30472

10. Field and Pool, or Exploratory Area  
Crow Flat Morrow

11. County or Parish, State  
Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Cancel APD
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

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

13. 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.)

Concho Resources Inc. respectfully request the cancellation of the Permit to Drill for the Chama '8' Federal Com #1 well approved on 10/26/98.

**APPROVED**

APR 13 1999  
*Linda R. Osburn*  
AUTHORIZED OFFICER, MINERALS  
BUREAU OF LAND MANAGEMENT

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

Signed

Title Production Analyst

Date 04/01/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

NSK 5/10/49

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PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
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SECRETARY  
DENNIS G. KINSEY  
TREASURER

APR 19 1999

April 15, 1999

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

Re: Application for Unorthodox Well Location  
Concho ACT State Com #1 Well  
Township 17 South, Range 27 East  
Section 8: N/2  
Eddy County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Morrow gas well location, the Concho ACT State Com #1. The well is located on State of New Mexico minerals, 1650' FNL and 660' FEL of Section 8, Township 17 South, Range 27 East, Eddy County, New Mexico. The acreage dedicated to the well is the N/2 of Section 8 which is 50% State of New Mexico minerals and 50% USA minerals.

The necessity for this unorthodox location is based on geologic conditions prevailing in the primary objective Lower Morrow clastics interval.

The sand isopach map is enclosed herewith. The map exhibit is an isopach map of the Lower Morrow clastics. Double circled well spots are Morrow penetrations. The contour interval is 20 feet. The spacing unit is outlined in red and the proposed location is pointed out.

The isopach map depicts the varying thickness of the Lower Morrow to Mississippian unconformity interval in the environs of the subject proration unit. Contouring of the available well control shows that the proposed location is on the west flank of the main "thick" in the area. Experience in this area has shown that wells in or near "thicks" have a much better chance of encountering Lower Morrow alluvial channel sand reservoirs capable of producing very good economic volumes of gas.

The proposed location should encounter sufficient Lower Morrow interval to accommodate an alluvial sand channel capable of producing economic reserves of gas.

Notification to the offset operator(s) to the east was made by certified mail on April 15, 1999 including a copy of this application letter with all attachments.

New Mexico Oil Conservation Division  
April 15, 1999

Page 2

Yates requests that this unorthodox well location be administratively approved if no objections are received within the cited twenty (20) days as required by New Mexico Oil Conservation Division regulations or earlier if waivers are received.

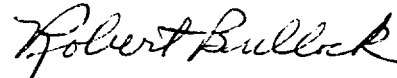
Enclosed with the isolith map are forms C-101, C-102 and a land plat showing offset operator(s).

Please call me at 505-748-4351 if you need further information.

Thank you.

Very truly yours,

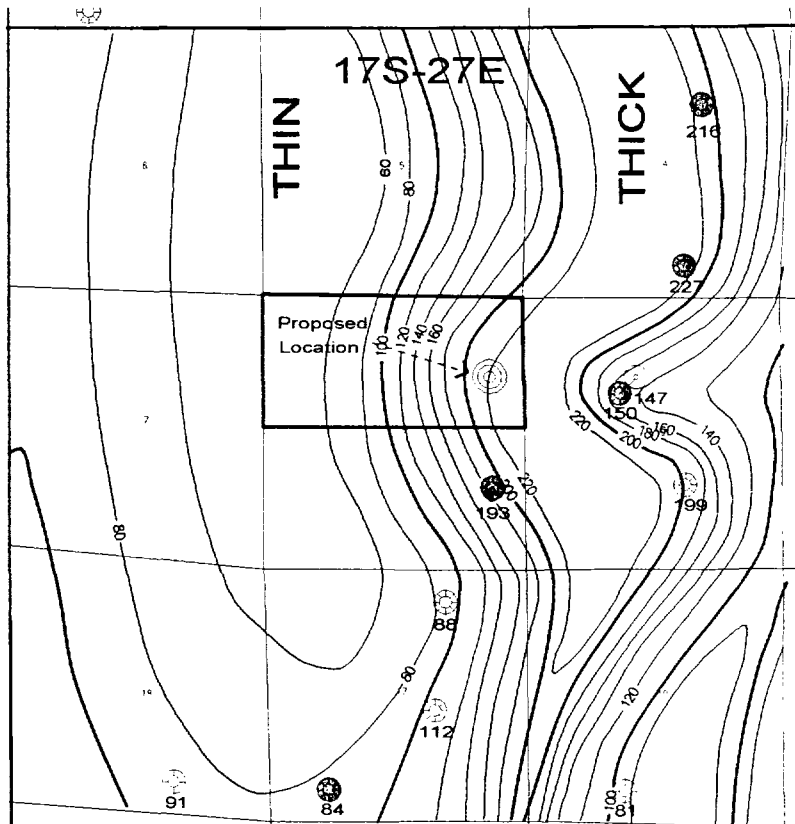
YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Robert Bullock". The signature is fluid and cursive, with the first name "Robert" and last name "Bullock" clearly distinguishable.

Robert Bullock  
Landman

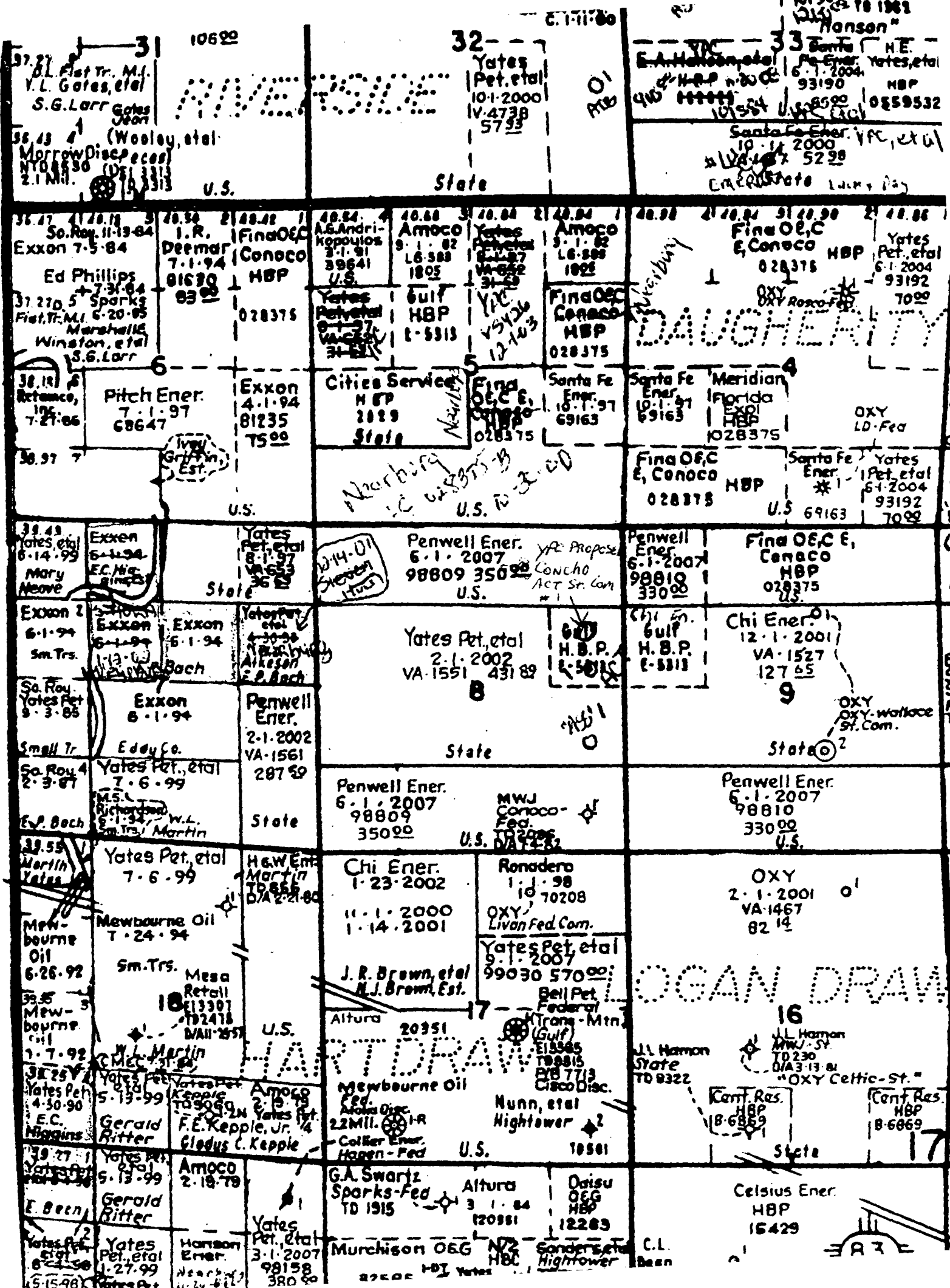
RB/mw

Enclosures



| LEGEND |   |
|--------|---|
|        | Morrow Penetrations   |
|        | Lower Morrow to Miss. Thickness                               |
|        | Lower Morrow Producer   |
|        | Solid Contours of Lower Morrow to Miss. Thickness; C.I. = 20' |

| YATES PETROLEUM CORPORATION           |          |            |
|---------------------------------------|----------|------------|
| New Mexico                            |          |            |
| Empire - Logan Draw - Dog Canyon Area |          |            |
| Isopach Lower Morrow Clastics         |          |            |
| Drawn: Ray Beck                       | C.I. 20' | 4/15/98    |
| Scale: 1" = 2000'                     |          | 1" = 2000' |



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H.E.  
Yates, et al  
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DAUGHTERY

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 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

|  |   |                                     |
|--|---|-------------------------------------|
| <sup>1</sup> Operator Name and Address.<br>YATES PETROLEUM CORPORATION<br>105 South Fourth Street<br>Artesia, New Mexico 88210 |   | <sup>2</sup> OGRID Number<br>025575 |
|  |   | <sup>3</sup> API Number<br>30 - 0   |
| <sup>4</sup> Property Code   | <sup>5</sup> Property Name<br>Concho "ACT" State Com. | <sup>6</sup> Well No.<br>1          |

<sup>7</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 8       | 17S      | 27E   |         | 1650'         | North            | 660'          | East           | Eddy   |

<sup>8</sup> 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 |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| <sup>9</sup> Proposed Pool 1<br>Morrow |         |          |       |         | <sup>10</sup> Proposed Pool 2 |                  |               |                |        |

|                                   |                                       |                                   |  |   |
|-----------------------------------|---------------------------------------|-----------------------------------|--|---|
| <sup>11</sup> Work Type Code<br>N | <sup>12</sup> Well Type Code<br>G     | <sup>13</sup> Cable/Rotary<br>R   | <sup>14</sup> Lease Type Code<br>S       | <sup>15</sup> Ground Level Elevation<br>3362' |
| <sup>16</sup> Multiple<br>No      | <sup>17</sup> Proposed Depth<br>9150' | <sup>18</sup> Formation<br>Morrow | <sup>19</sup> Contractor<br>Undesignated | <sup>20</sup> Spud Date<br>ASAP               |

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

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4"   | 8 5/8"      | 24# J-55           | 1400'         | 500 sx          | Circulated    |
| 7 7/8"    | 4 1/2"      | 11.6# S-95         | 9150'         | 400 sx          | TOC 7500'     |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

<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.

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cement circulated, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1400' FW; 1400'-4700' FW Gel; 4700'-8100' Cut Brine; 8100'-TD Salt Gel/Starch.

BOPE PROGRAM: BOPE will be installed on the 8 5/8" 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:

*[Signature]*

Printed name:

KEN BEARDEMPHL

Title:

LANDMAN

Date:

April 6, 1999

Phone:

505-748-4348

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐



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-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 APT Number          |  | 2 Pool Code                                    |  | 3 Pool Name<br>Morrow |                      |
| 4 Property Code       |  | 5 Property Name<br>CONCHO "ACT" STATE COM      |  |                       | 6 Well Number<br>1   |
| 7 OGRID No.<br>025575 |  | 8 Operator Name<br>YATES PETROLEUM CORPORATION |  |                       | 9 Elevation<br>3362. |

10 Surface Location

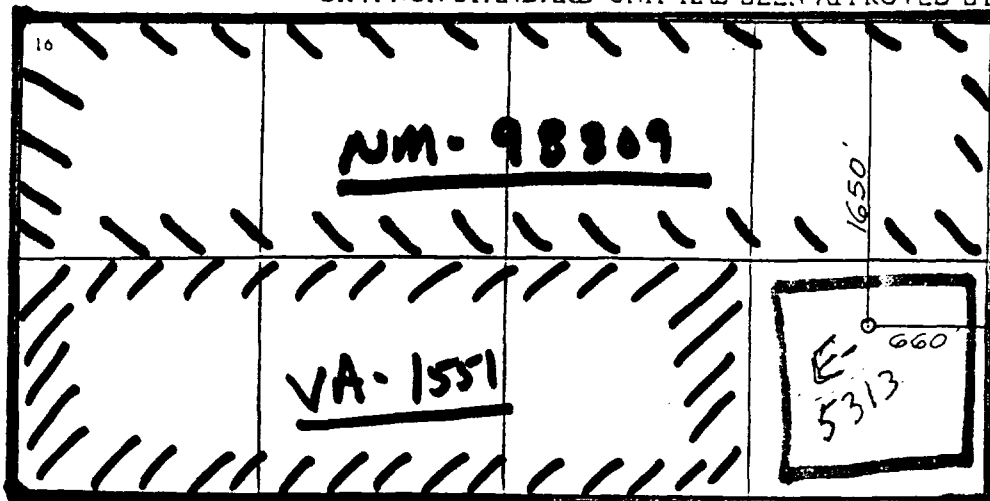
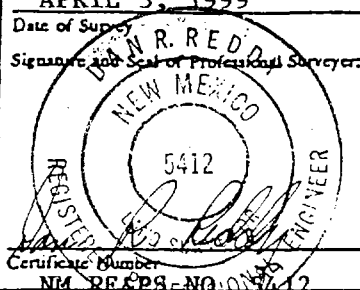
| 11 or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 8       | 17-S     | 27-E  |         | 1650          | NORTH            | 660           | EAST           | EDDY   |

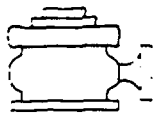
11 Bottom Hole Location If Different From Surface

| 12 or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                           |                    |                       |              |
|---------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres<br>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

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| <div>16</div>  |  |  |  | <div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <u>Ken Beardemphl</u></p> <p>Printed Name: Ken Beardemphl</p> <p>Title: Landman</p> <p>Date: April 6, 1999</p>  |  |
|   |  |  |  | <div>18 SURVEYOR CERTIFICATION</div> <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>APRIL 3, 1999</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: NM REAPS-NO. 5412</p> |  |

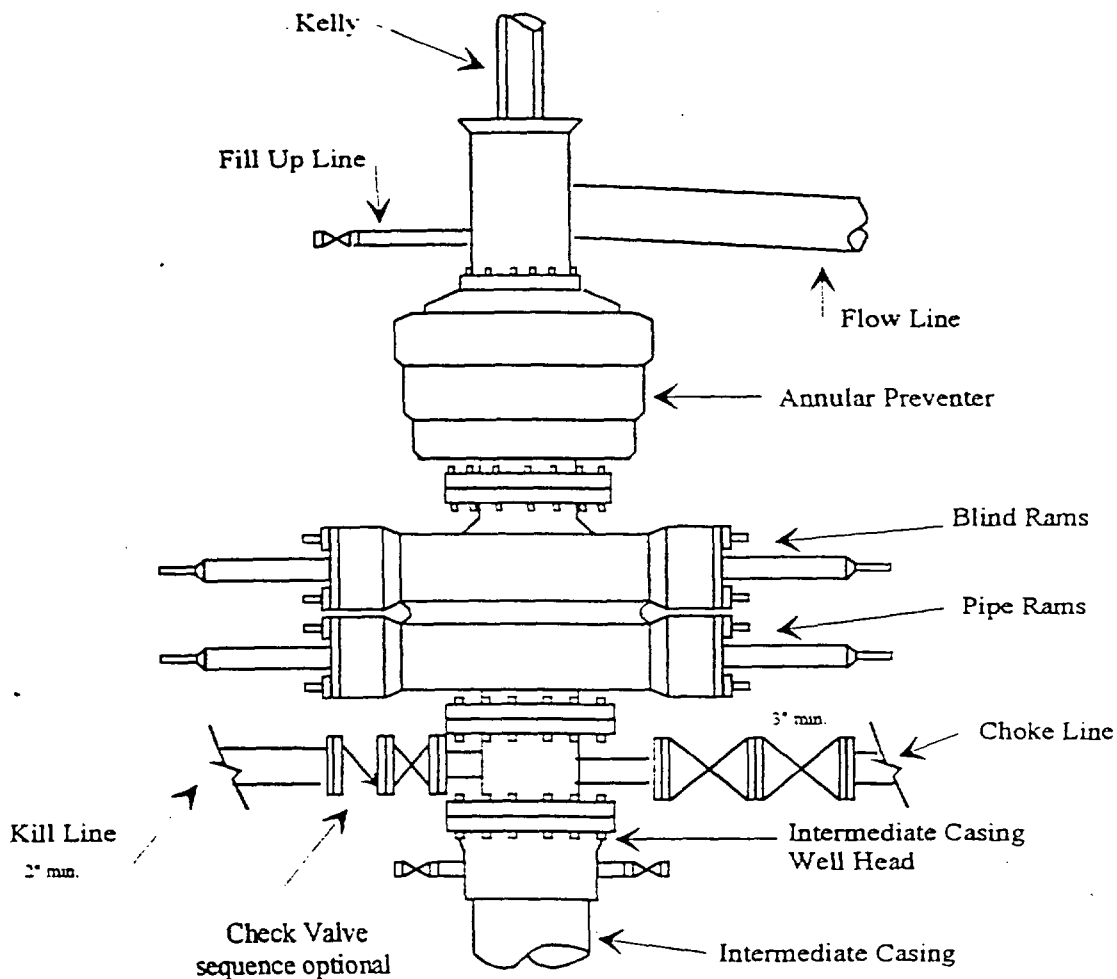


# Yates Petroleum Corporation

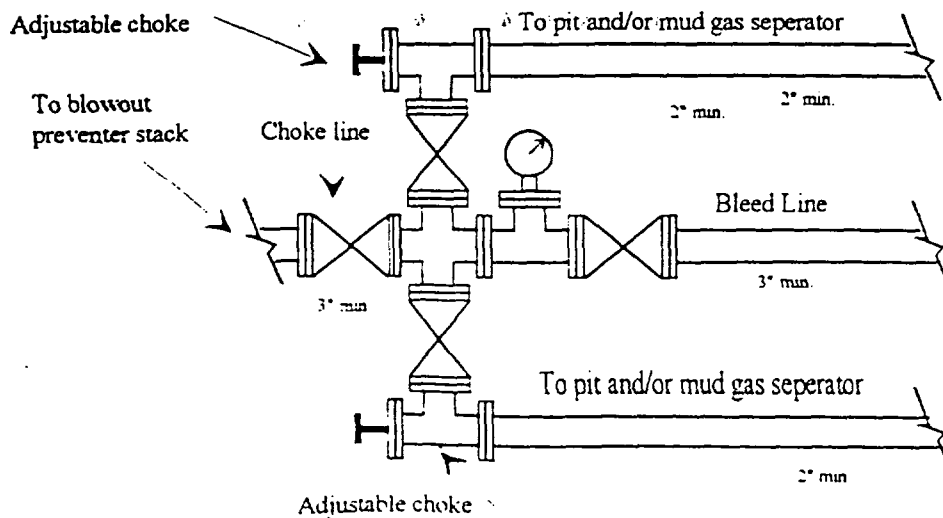
BOP-3

Typical 3,000 psi Pressure System  
Schematic

Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



Notification List of Offset Operator(s)  
to Unorthodox Morrow Gas well location  
Concho "ACT" St. Com. #1  
Township 17 South, Range 27 East  
Section 8: 1650' FNL & 660' FEL  
Eddy County, New Mexico

Oxy USA, Inc.  
Box 50250  
Midland, Texas 79710