

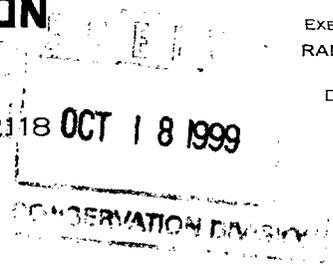
NSL 11/8/99

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



S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471



October 15, 1999

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87508

**CERTIFIED MAIL**  
Return Receipt Requested

Case 12291

RE: Application for Unorthodox Location  
R.L. Burns ATL #1  
Wildcat Mississippian Pool  
E/2 Section 11, T16S, R35E  
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Mississippian gas well, the R.L. Burns ATL #1. The proposed well is located on fee minerals, 330' FSL and 330' FEL of Section 11, Township 16 South, Range 35 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. We will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub and tie back to the 8 5/8" casing from 1438' to the surface. We will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. We will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian formation at approximately 12,700', run logs and run 5" casing.

Yates concludes that it is cheaper to re-enter this well than to drill a new well and would be in the best interest of conservation.

Notification to the offset operator to the south, east and southeast was made by certified mail on October 15, 1999, including a copy of this application letter with all attachments.

Yates requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Enclosed are Forms C-101, C-102, land plat and notification list of offset operators including letters of waiver.

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

Thank you.

Very truly yours,

**YATES PETROLEUM CORPORATION**

*Robert Bullock*  
Robert Bullock  
Landman

RB:bn  
enclosure(s)

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



105 SOUTH FOURTH STREET  
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SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 15, 1999

Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

RE: Offset Operator Notification  
Unorthodox Location  
R.L. Burn ATL #1  
Township 16 South, Range 35 East  
Section 11: 330' FSL & 330' FEL  
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock  
Landman

RB/dc  
enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

CHESAPEAKE OPERATING, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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  
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JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 15, 1999

Merit Energy Company  
2510 W. Ohio Avenue  
Midland, Texas 79701

RE: Offset Operator Notification  
Unorthodox Location  
R.L. Burn ATL #1  
Township 16 South, Range 35 East  
Section 11: 330' FSL & 330' FEL  
Lea County, New Mexico

Gentlemen:

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Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock  
Landman

RB/dc  
enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

MERIT ENERGY COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1934 - 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 15, 1999

David H. Arrington Oil and Gas, Inc.  
P.O. Box 2071  
Midland, Texas 79702

RE: Offset Operator Notification  
Unorthodox Location  
R.L. Burn ATL #1  
Township 16 South, Range 35 East  
Section 11: 330' FSL & 330' FEL  
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock  
Landman

RB/dc  
enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

DAVID H. ARRINGTON OIL AND GAS, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

NSL 10/20/99

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

SEP 30 1999



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

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

September 29, 1999

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87508

CERTIFIED MAIL  
Return Receipt Requested

RE: Application for Unorthodox Location  
R.L. Burns ATL #1  
Wildcat Mississippian Pool  
E/2 Section 11, T16S, R35E  
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Mississippian gas well, the R.L. Burns ATL #1. The proposed well is located on fee minerals, 330' FSL and 330' FEL of Section 11, Township 16 South, Range 35 East.

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. We will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub and tie back to the 8 5/8" casing from 1438' to the surface. We will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. We will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian formation at approximately 12,700', run logs and run 5" casing.

Yates concludes that it is cheaper to re-enter this well than to drill a new well and would be in the best interest of conservation.

Notification to the offset operators to the south, east and southeast was made by certified mail on September 29, 1999, including a copy of this application letter with all attachments.

Yates requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Enclosed are Forms C-101, C-102, land plat and notification list of offset operators including letters of waiver.

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

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

*Robert Bullock*  
Robert Bullock  
Landman

RB:bn  
enclosure(s)

Handwritten initials: JF, KH, Ksh

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. <b>Yates Petroleum Corporation</b> 105 S. 4th Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30 - 0 25-24559
<sup>4</sup> Property Code	<sup>5</sup> Property Name R.L. Burns ATL	<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
P	11	16S	35E		330'	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 Wildcat Mississippian					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3971'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 12,700'	<sup>18</sup> Formation Mississippian	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date ASAP

<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#	375' In Place	325 sx	Circulated
11"	8 5/8"	28# & 32#	4762' In Place	500 sx	Circulated
7 7/8"	5 1/2"	17#	12,700'	750 sx	TOC 7000'

<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.

SEE ATTACHED PAGE 2.

Will file for NSL with the New Mexico Energy, Minerals, and Natural Resources Department.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Ken Beardemphl		Approved by:	
Title: Landman		Title:	
Date: September 23, 1999.	Phone: (505) 748-1471	Approval Date:	Expiration Date:
		Conditions of Approval: Attached <input type="checkbox"/>	

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

<sup>1</sup> API Number 30-025-24559		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name R.L. Burns ATL		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION		<sup>9</sup> Elevation 3971'

<sup>10</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
P	11	16S	35E		330'	South	330'	East	Lea

<sup>11</sup> 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>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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	FEE				<sup>17</sup> OPERATOR CERTIFICATION				
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief				
					Signature: <i>Ken Beardemphl</i>				
					Printed Name: Ken Beardemphl				
					Title: Landman				
					Date: September 23, 1999				
					<sup>18</sup> 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.				
					Date of Survey				
					Signature and Seal of Professional Surveyor: <i>Refer to Original Plat</i>				
					Certificate Number				

## DRILLING PROGRAM

R.L. Burns ATL #1

Page 2

Yates Petroleum Corporation proposes to re-enter the captioned well which was drilled by R.L. Burns Corporation in November, 1973 and plugged in January 1974. Will re-enter using a pulling unit and a reverse unit to drill out plugs to the 8 5/8" casing at 1438', dress off stub, and tie back to the 8 5/8" casing from 1438' to the surface. Will then drill out plugs to the 8 5/8" shoe plug at 4663', pressure test casing, and rig down pulling unit. Will bring in a drilling rig, drill out the plugs to the original TD of 12,111' and deepen to the Mississippian Formation at approximately 12,700', run logs and run 5" casing.

MUD PROGRAM: Will use Cut Brine, 9.3 ppg, viscosity 29-33.

BOPE PROGRAM: 5000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

Operator <b>R. L. BURNS CORPORATION</b>		Location <b>WITT</b>		Well No. <b>1</b>
Unit Letter <b>O</b>	Section <b>11</b>	Township <b>16 S</b>	Range <b>35 E</b>	County <b>LEA</b>

Actual Postage Location of Well:  
 330 feet from the **SOUTH** line and 330 feet from the **EAST** line

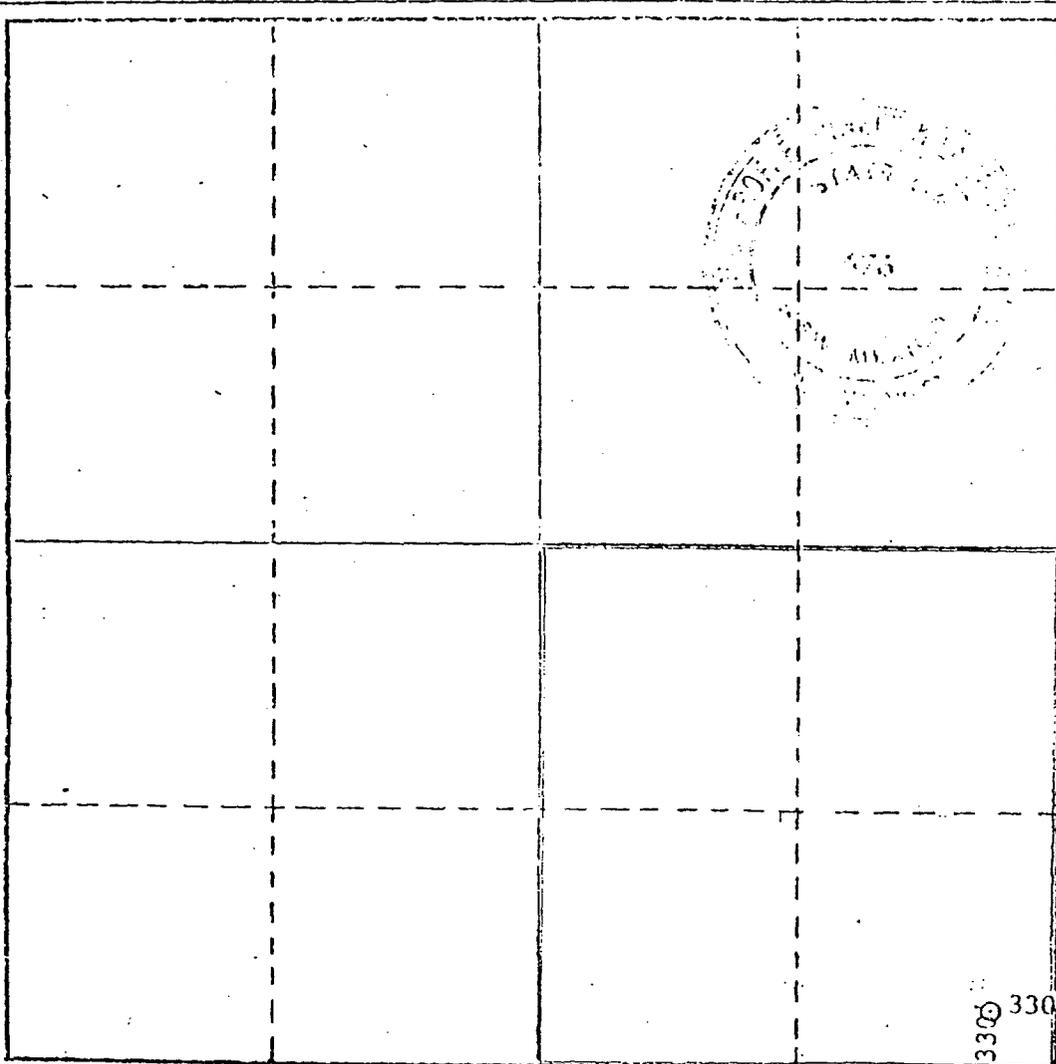
Ground Level Elev. <b>3971.6'</b>	Producing Formation <b>Strawn</b>	Pool <b>Unders. North Shoe Bar Penn</b>	Dedicated Acreage: <b>160</b> Acres
--------------------------------------	--------------------------------------	--	--

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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  
*John W. West*  
 Position  
Agent

Company  
R. L. Burns Corporation

Date  
November 27, 1973

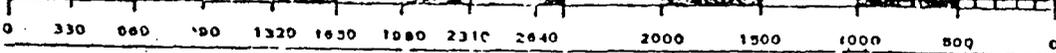
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

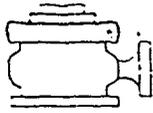
Date Surveyed  
OCTOBER 10, 1973

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **676**

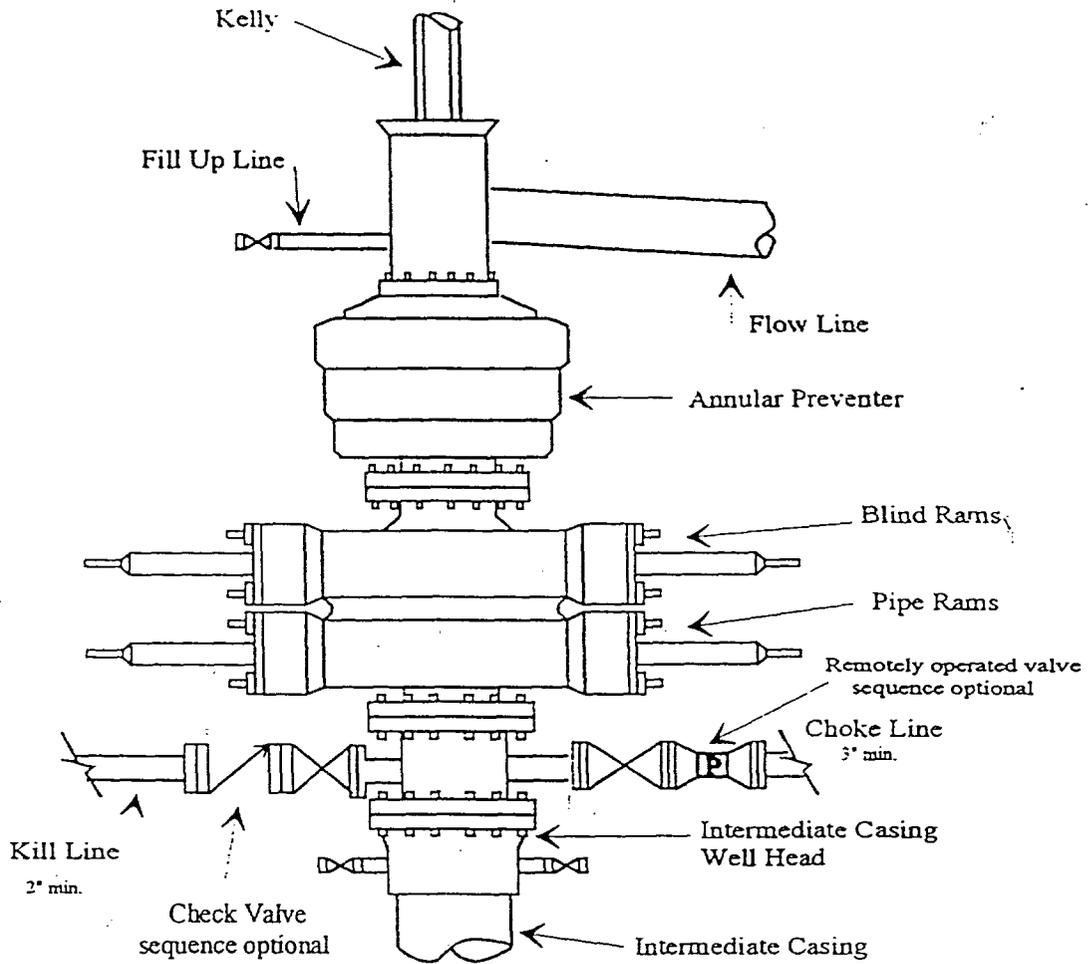




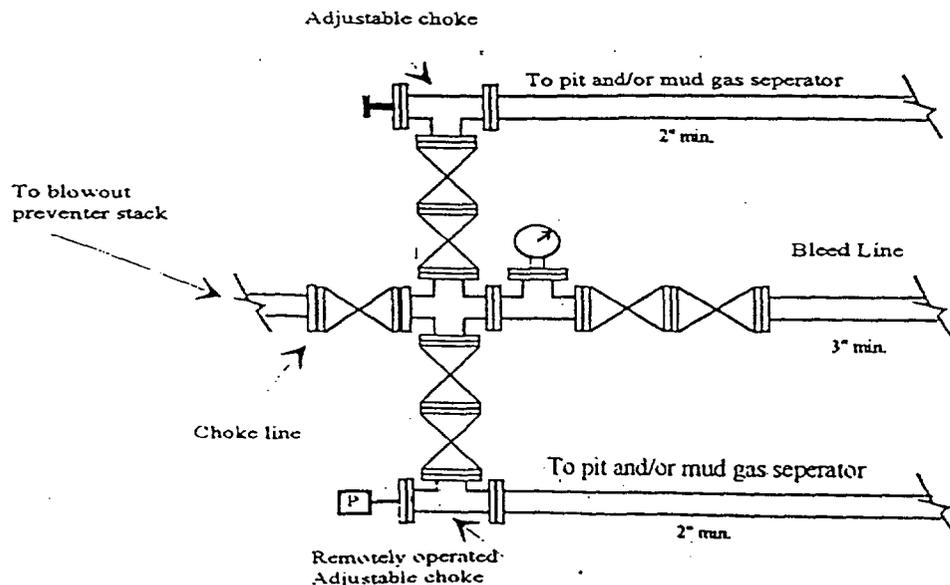
# Yates Petroleum Corporation

BOP-4

## Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



## Typical 5,000 psi choke manifold assembly with at least these minimum features





*Notification List  
Offset Operators*

*Merit Energy Company  
2510 W. Ohio Avenue  
Midland, Texas 79701*

*David H. Arrington Oil and Gas, Inc.  
PO Box 2071  
Midland, Texas 79702*

*Chesapeake Operating, Inc.  
PO Box 18496  
Oklahoma City, Oklahoma 73154-0496*

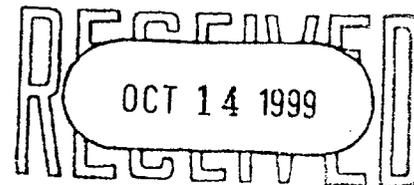


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

October 12, 1999

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



Attention: Robert Bullock

*Re: Administrative application for an exception to Division Rule 104.C(2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to re-enter and deepen the plugged and abandoned R. L. Burns Corporation Witt Well No. 1 (API No. 30-025-24559), to be redesignated the R. T. Burns "ATL" Well No. 1, to the Mississippian formation at an unorthodox gas well location 330 feet from the South and East lines (Unit P) of Section 11, Township 16 South, Range 35 East, NMPM, Undesignated North Townsend-Mississippian Gas Pool, Lea County, New Mexico.*

Dear Mr. Bullock:

It appears that your application is incomplete with respect to notice, the rules for unorthodox location applications were recently changed by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999, and by Division Order No. R-11205, issued by the Commission in Case No. 12177 (see copies attached). Your letters of notice attached to the application referenced the old rules.

I am therefore returning this application so that notification can be verified as being correct. Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
Kathy Valdes, NMOCD - Santa Fe  
Mr. Randy Patterson, Yates Petroleum Corporation - Artesia  
Mr. William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe  
Ms. Lori Wrotenbery, Director NMOCD - Santa Fe