

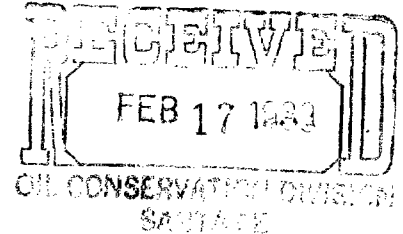
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

February 16, 1989



Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Michael E. Stogner

Re: Case No. 9605
Cacti "AGB" State Com. #1
Township 20 South, Range 24 East, NMPM
Section 2
Eddy County, New Mexico

Dear Mr. Stogner:

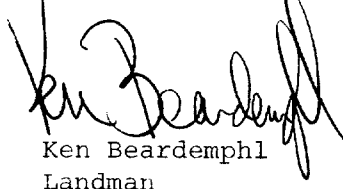
During our hearing on the above case on February 15, 1989; being case No. 9605, I told you that the well was 1980' from the south and 1980' from the east line. I'm sorry, but the well was moved to 1980' from the south and 2230' from the east because of a paved road 50' west of the center hole at the first location. The AFE will be changed, and all of the Working Interest Owners are aware of the change by their copy of the Application for Permit to Drill and the Chronological Drilling Report; I have also provided you with a copy of both.

If you have any questions, please call me. Again, I apologize for the miss on my part.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Ken Beardemphl
Landman

KB/blf

Enclosures

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

DEC 27 '88

O. C. D.

ARTESIA OFFICE

5A. Indicate Type of Loan

STATE ☒ FEDERAL

5. State Oil & Gas Lease No.

V-1116

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 South Fourth Street - Artesia, NM 88210 4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 2230 FEET FROM THE East LINE OF SEC. 2 TWP. 20S RGE. 24E NMPM 12. County Eddy 19. Proposed Depth 9600' 19A. Formation Morrow 20. Rotary or C.T. Rotary 21. Elevations (show whether DT, RT, etc.) 3640.1' GR 21A. Kind & Status Plug. Bond Blanket 21B. Drilling Contractor Undesignated 22. Approx. Date Work will start ASAP		7. Unit Agreement Name 8. Farm or Lease Name Cacti AGB State C 9. Well No. 1 10. Field and Pool, or Wildcat Wildcat	
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23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14-3/4"	9-5/8"	36# J-55	Approx. 1300'	900 sacks	Circulate
8-3/4"	7"	26# S-95 & K-55	TD	as warranted	

We propose to drill and test the Morrow and intermediate formations. Approximately 1300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel to 1300', fresh water to 7500', cut brine, saltwater gel & starch to TD

BOP PROGRAM: BOP's will be installed on the 9-5/8" casing and tested daily

GAS NOT DEDICATED

APPROVAL VALID FOR 180 DAYS
6/27/89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPCEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Ken J. Williams Title Landman Date Dec. 22, 1988

(This space for State Use)

Original Signed By
Mike WilliamsAPPROVED BY _____ DATE DEC 27 1988

CONDITIONS OF APPROVAL, IF ANY:

Noted
11/24

956

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-121
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

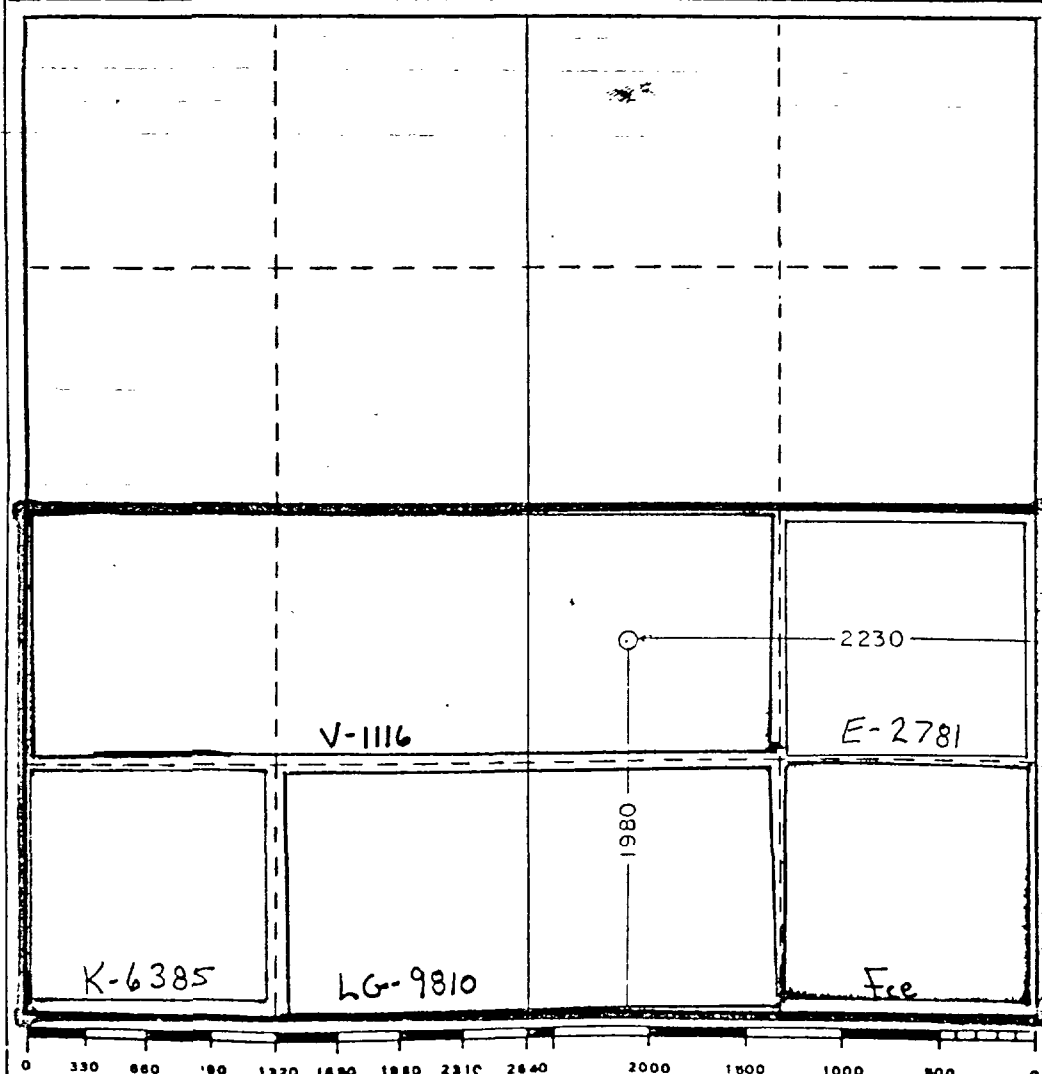
Operator YATES PETROLEUM CORPORATION			Lease CACTI "AGB" State Com.		Well No. 1
Init Letter H	Section 2	Township 20 South	Range 24 East	County Eddy	
Actual Footage Location of Well:					
1980 feet from the South line and		2230 feet from the East line			
Ground Level Elev. 3649.1	Producing Formation Morro	Pool Wildcat Morrow	Dedicated Acreage: 320 Acres		

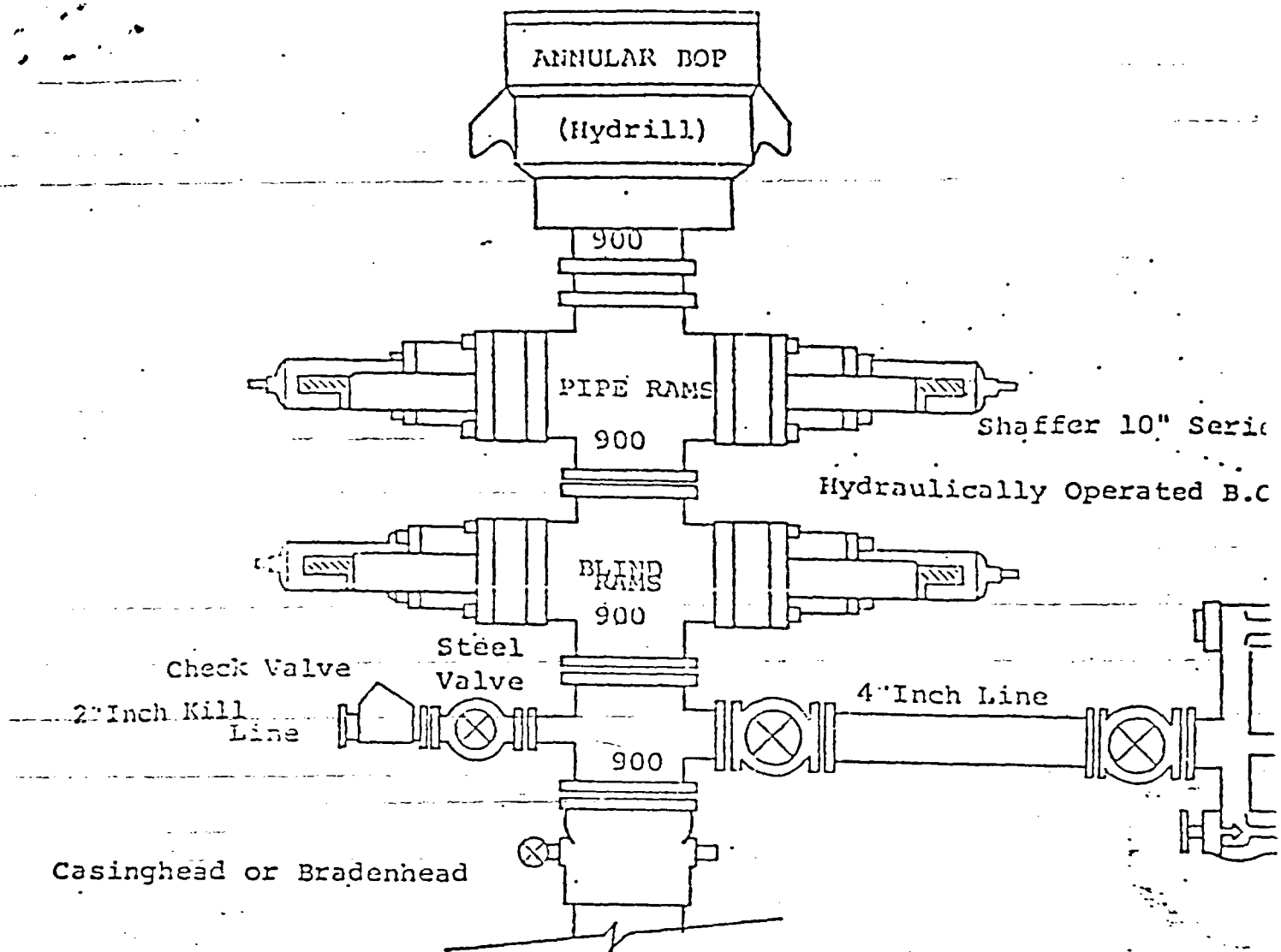
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

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.





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equal to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.
10. D. P. float must be installed and used below zone of first gas entry.

YATES PETROLEUM CORPORATION
CHRONOLOGICAL DRILLING REPORT
Cacti "AGB" State Com #1
Unit J
2-20S-24E
Eddy County, New Mexico

1-27-89 Location: Unit J, 1980' FSL & 2230' FEL of Section:
2-20S-24E Eddy County, New Mexico. Lease No.: V-1116.
Elevation: 3640.1' GR. PTD: 9600' Morrow. Drilling
Contractor: J.S.M. #1. Building location.

1-28-89 Building location.

1-29-30-89 Waiting on rotary tools.

1-31-89 Prep to move in rotary tools.

2-1-89 Moving in rotary tools.

2-2-89 TD 37'. Moving in rotary tools. Spudded 26" hole at
8:00 AM 2-1-89. Set 37' of 20" conductor. Notified NMOCD
of spud.

2-3-89 TD 37'. Moving in rotary tools.

2-4-89 TD 268' sand, shale and anhydrite. TIH with bit. Made
228' in 9-1/2 hours, 24'/hr. MW 8.6, Vis 36, pH 9. Survey
246' 1-1/4 deg. WOB 24000#, RPM 120, SPM 60, PP 1000#.
Spudded 26" hole 8:00 AM 2-1-89. Set 40' of 20" conductor.
Resumed drilling 7:00 PM 2-3-89. Lost returns 200'. Had
50% returns 208' and 100% returns at 216'. DMC \$1200;
CMC \$1200; DWC \$3415; TWC \$3415; DC \$24,136; CC \$24,136

2-5-89 Drilling 540' sand and dolomite. Made 312' in 18-1/4 hours
17.10'/hr. MW 8.6, Vis 36, pH 11, Wl NC. Surveys 276' 1
deg, 373' 1 deg. WOB 46000#, RPM 80, SPM 60, PP 500#.
TIH with bit #2 at 276'. DMC \$575; CMC \$1775; DWC \$576;
TWC \$3991; DC \$6895; CC \$31,031

2-6-89 Drilling 980' dolomite. Made 440' in 22-1/2 hours, 19.56'/
hr. MW 8.5, Vis 36, pH 11. Surveys 612' 1-1/4 deg, 789'
1-1/4 deg. WOB 50000#, RPM 72, SPM 60, PP 1000#. CMC
\$1775; DWC \$681; TWC \$4672; DC \$7621; CC \$38,652

2-7-89 TD 1217' dolomite. WOC. Made 237' in 11-1/2 hours,
20.61'/hr. MW 8.7, Vis 34, pH 9.5. Surveys 1022' 1 deg,
1217' 1-1/4 deg. WOB 60000#, RPM 72, SPM 60, PP 1000#.
Reached TD to run casing 5:45 PM 2-6-89. Ran 29 joints
9-5/8" 36# 8rd J-55 ST&C (1222.36') casing, set 1217'.
Texas Pattern Notched guide shoe 1217'. Insert float set
1175.02'. Cemented with 500 gals Surebond, 725 sacks
Pacesetter "C" Lite with 1/4#/sx Celloseal, 5#/sx Gilsonite
+ 3% CaCl₂ (yield 1.84, weight 12.7). Tailed in with 200
sacks Class "C" + 2% CaCl₂ (yield 1.32, weight 14.8).
PD 3:15 AM 2-7-89. Plug did not bump. Float held okay.
Cement circulated 50 sacks to pit. WOC.
CMC \$1775; DWC \$338; TWC \$5010; DC \$35,594.50; CC
\$74,246.50

2-8-89 Drilling 1425' lime and sand. Made 208' in 4 hours, 52'/hr
MW 8.4, Vis 28, pH 11. WOB 55000#, RPM 68, SPM 60, PP
1200#. NOTE: Drilled out 2:00 AM 2-8-89. WOC 22 hours
45 minutes. Nippled up and tested to 1000 psi for 30 min-
utes, OK. Reduced hole to 8-3/4". Drilled plug (tag plug
1175') and resumed drilling. DMC \$489; CMC \$2264;
DWC \$919; TWC \$5929; DC \$6134; CC \$80,380.50

2-9-89 Drilling 2340' dolomite and sand. Made 915' in 23-1/4
hours, 39.35'/hr. MW 8.4, Vis 28, pH 11. Surveys 1692'
1 deg, 2187' 1 deg. WOB 55000#, RPM 72, SPM 60, PP 1100#.
DMC \$413; CMC \$2677; TWC \$219; TWC \$6148; DC \$14,859.50;
CC \$95,240

2-10-89 Drilling 3155' dolomite. Made 815' in 22 hours, 37.05'/hr.
MW 8.4, Vis 28, pH 11. Surveys 2531' 1/4 deg, 3033' 1/2
deg. WOB 55000#, RPM 72, SPM 60, PP 1150#. DMC \$307;
CMC \$2984; DWC \$552; TWC \$6700; DC \$13,421.50; CC \$108,661.50

2-11-89 Drilling 3715' lime. Made 560' in 20-3/4 hours, 26.99'/hr.
MW 8.4, Vis 28, pH 11. Surveys 3469' 1/4 deg, 3573' 1/2

Yates Petroleum - Cacti "AGB" St Com #1 (Unit J) 2-20S-24E Eddy Co., NM

deg. WOB 55000#, RPM 72, SPM 60, PP 1200#. DMC \$315;
CMC \$3299; DWC \$100; TWC \$6800; DC \$9095; CC \$117,756.50
2-12-89 Drilling 4122' dolomite and lime. Made 407' in 21-1/2
hours, 18.93'/hr. MW 8.4, Vis 28, pH 11. Surveys 4062' 2
deg, 3687' 3/4 deg, 3781' 1 deg, 3873' 1 deg, 3966' 1-1/4
deg. WOB 40000#, RPM 72, SPM 60, PP 1200#. CMC \$3299;
DWC \$205; TWC \$7025; DC \$6666.50; CC \$124,423
2-13-89 Drilling 4402' dolomite. Made 280' in 20 hours, 14'/hr.
MW 8.4, Vis 28, pH 11. Surveys 4155' 2 deg, 4213' 2-3/4
deg, 4306' 2-3/4 deg, 4371' 2-3/4 deg. WOB 35000#, RPM
72, SPM 60, PP 1200#. DMC \$260; CMC \$3559; DWC \$100;
TWC \$7125; DC \$4980; CC \$129,403
2-14-89 TD 4537' dolomite. Made 135' in 11-3/4 hours, 11.49'/hr.
MW 8.4, Vis 28, pH 11. Surveys 4433' 2-3/4 deg, 4464'
3-1/4 deg, 4523' 3-1/2 deg and 4537' 3-1/2 deg. WOB
120-30000#, RPM 72, SPM 60, PP 1200#. Tripped for bit.
Corrected SLM 6' to 4537'. Tested pipe rams, blind rams,
inside valve, choke manifold, floor safety valves, upper
and lower kelly cock to 2800# for 10 minutes each. Tested
hydril to 2500# for 10 minutes. Pipe rams closed 5 sec,
hydril 11 sec. DMC \$248; CMC \$3807; DWC \$443; TWC \$7568;
DC \$4577.50; CC \$133,980.50
2-15-89 Drilling 4830' dolomite. Made 293' in 21-3/4 hours,
13.47'/hr. MW 8.4, Vis 28, pH 11. Surveys 4566' 3 deg,
4627' 3 deg, 4719' 6 deg, 4751' 6 deg. WOB 10000#, RPM 72,
SPM 58, PP 1250#. TIH with bit #4 at 4537'. Washed to
bottom. DMC \$176; CMC \$3983; TWC \$7568; DC \$4984.50;
CC \$138,965

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TREASURER

March 22, 1989

New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Attention: Mr. William J. LeMay

Re: Order No. R-8876
Case No. 9605
Cacti "AGB" State Com. #1
Township 20 South, Range 24 East, NMPM
Section 2: S/2
Eddy County, New Mexico

Gentlemen:

The parties subject to the force pooling provisions under the captioned order have since voluntarily agreed to join or lease. According to Paragraph 14, page 6 of your order, the order will be of no further effect.

Please advise should you require anything further.

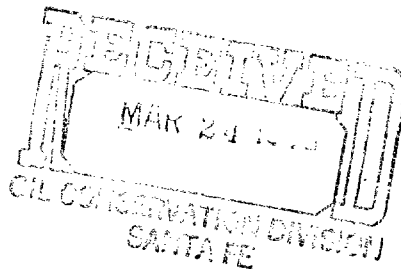
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Colbert
Kathy H. Colbert
Landman

KHC/mw



ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501
(505) 827-5800

Yates Petroleum Corporation

FLORENE DAVIDSON
OC Staff Specialist

Other