

Exhibits 1 through 4
Complete Set

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5030
Order No. R-4608

APPLICATION OF YATES DRILLING COMPANY
FOR APPROVAL OF THE ARTESIA METEX
UNIT AGREEMENT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 25, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Drilling Company, seeks approval of the Artesia Metex Unit Agreement covering 2016.93 acres, more or less, of State lands described as follows:

EDDY COUNTY, NEW MEXICO

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 24: NW/4 NE/4, S/2 NE/4, S/2
Section 25: N/2, SW/4, N/2 SE/4, SW/4 SE/4
Section 26: E/2 E/2, SW/4 SE/4
Section 35: N/2 NE/4
Section 36: N/2 NW/4

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 19: Lots 2, 3, 4, E/2 SW/4, W/2 SE/4,
NE/4 SE/4
Section 30: Lots 1, 2, E/2 NW/4, W/2 NE/4, NE/4 SW/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

8916

CASE NO.

IT IS THEREFORE ORDERED:

- (1) That the Artesia Metex Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

.I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5031
Order No. R-4609

APPLICATION OF YATES DRILLING
COMPANY FOR A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 25, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1973, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Yates Drilling Company, seeks
authority to institute a waterflood project in the Artesia Metex
Unit Area, Artesia Pool, by the injection of water into the
Grayburg formation through 14 injection wells in Sections 24, 25,
26, 35, and 36, Township 18 South, Range 27 East, NMPM, and
Sections 19 and 30 of Township 18 South, Range 28 East, NMPM,
Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced
state of depletion and should properly be classified as "stripper"
wells.

(4) That the proposed waterflood project should result in
the recovery of otherwise unrecoverable oil, thereby preventing
waste.

(5) That the operator should take all steps necessary to
ensure that the injected water enters only the proposed injection
interval and is not permitted to escape to other formations or
onto the surface from injection, production, or plugged and
abandoned wells.

BEFORE EXAMINER RICHARD L. STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 5031

(6) That an administrative procedure should be established whereby additional injection and producing wells at orthodox and unorthodox locations in the project area may be approved without notice and hearing.

(7) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Drilling Company, is hereby authorized to institute a waterflood project in the Artesia Metex Unit Area, Artesia Pool, by the injection of water into the Grayburg formation through the following-described wells:

OLD LEASE & WELL NO.	NEW TRACT & WELL NO.		UNIT	SECTION	TOWNSHIP	RANGE	NMPM
	TR. NO.-WELL NO				SOUTH	EAST	
State 648 Well #108	1	40	H	25	18	27	
State 648 Well #116	1	45	L	25	18	27	
State 648 Well #111	1	54	O	25	18	27	
McGurt "K" Well #1	3	6	K	24	18	27	
State "D" Well #1	6	20	P	24	18	27	
State "BW" Well #12	7	8	I	24	18	27	
Gulf State Well #1	10	12	K	19	18	28	
Eddy "CK" Well #1	13	26	A	26	18	27	
Eddy "CL" Well #1	16	56	A	35	18	27	
State "E" Well #3	17	28	C	25	18	27	
Hester St. Well #2	19	58	C	36	18	27	
State 647 Well #96	20	32	C	30	18	28	
State 647 Well #97	20	49	K	30	18	28	
MRY Well #2	22	41	E	30	18	28	

(2) That prior to initial injection of water into any of said injection wells, the operator shall obtain the approval of supervisor of the Commission's Artesia district office as to the casing and cementing of said well.

(3) That injection into each of said wells shall be through cement-lined tubing, set in a packer which shall be located as near as practicable to the uppermost perforation, or in the case of open-hole completions, as near as practicable to the casing-shoe; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the subject waterflood project is hereby designated the Yates Artesia Metex Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(6) The Secretary-Director of the Commission is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Artesia Metex Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 660 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(a) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(b) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

(c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant

immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Secretary-Director of the Commission administratively when good cause is shown therefor.

(7) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(8) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/



RADIOACTIVITY LOG

FIELD LOCATION WELL COMPANY

COMPANY YATES DRILLING COMPANY
WELL ARTESIA METEX # 35
FIELD ARTESIA QUEEN GRAYBURG-SAN JUAN
COUNTY EDDY **STATE** NEW MEXICO
Location: 1650' FNL & 330' FEL
Other Services:
Sec. 26 **Twp.** 18-S **Rge.** 27-E

Permanent Datum: _____ **Elev.** 3525'
Log Measured From: GROUND LEVEL **Ft Above Perm. Datum:** _____ **Elev.:** K.B. _____
Logging Measured From: _____ **D.F.:** _____
 _____ **G.I.** 3525'

Log No.	ONE		
Type Log	GAMMA RAY - NEUTRON		✓
Depth - Driller	1986'		
Depth - Logger	1987'		
Bottom Logged Interval	1986'		
Top Logged Interval	400'		
Type Fluid In Hole	MUD		2516
Salinity, PPM Cl.			
Density			
Level			
Max. Rec. Temp., Deg F.			
Operating Rig Time	2 HRS.		
Recorded By	H. MONTES		
Witnessed By	MR. DADE		

RUN No.	BORE-HOLE RECORD			Casing RECORD			
	Bit	From	To	Size	Wgt.	From	To
				7"		525'	482'

This Heading and Log Conforms to API RP 33 # -

EQUIPMENT DATA

Gamma Ray	Run No.	Log Type	Tool Model No.
Neutron			

Run No.
Tool Model No.
Diameter
Manufacturer Model No.

FOLD HERE

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
 Application qualifies for administrative approval? yes no

II. Operator: Yates Drilling Company
 Address: 207 South 4th Street, Artesia, N.M. 88210
 Contact party: Tobin L. Rhodes Phone: (505) 746-9889

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? yes no
 If yes, give the Division order number authorizing the project R-4608, R-4609

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

II. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

III. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

II. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

II. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

IV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Tobin L. Rhodes Title Engineer

Signature: *Tobin L. Rhodes* Date: 11-21-85

If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation, and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

IV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

FORM C-108 SUPPLEMENT

I. Purpose:

To convert the producing well (AMU #35) to an injection well. This well is currently within the Artesia Metex Unit Waterflood. The conversion of this well will increase secondary recovery of oil within the unit.

II. The Operator is:

Yates Drilling Company
207 South 4th Street
Artesia, New Mexico 88210

III. Well data:

See attached well data and schematic sheet.

IV. This will be an expansion within the boundaries of the Artesia Metex Unit Waterflood (Division Order No. R-4609).

V. A land plat is attached which shows the acreage surrounding the subject well. A two mile radius circle has been drawn around the AMU #35 location to identify all lease ownership within two miles of the subject well. The smaller circle has a radius of $\frac{1}{2}$ mile and identifies the area of review for the proposed injection well.

VI. There are seven wells other than the proposed injection well within the area of review, as indicated by the attached map. Data concerning the seven wells is included in the attached tabulations.

VII. Data on the proposed operation:

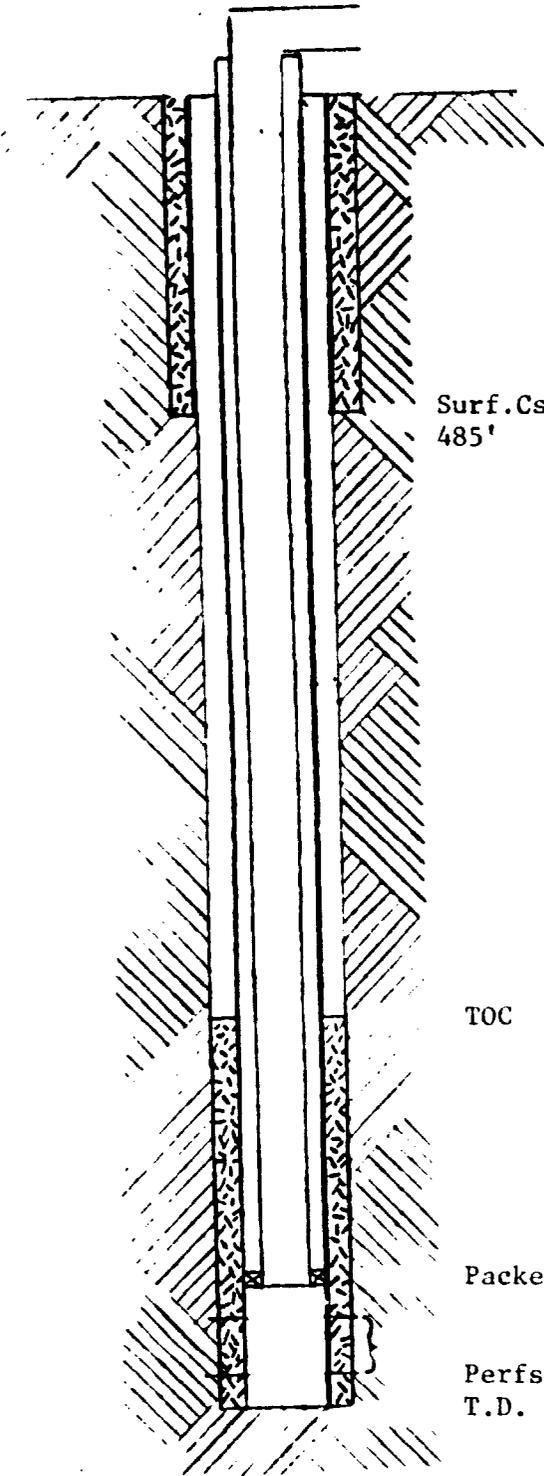
1. Initially the average and maximum daily rates of fluid injection will be 250 barrels and 500 barrels respectively. However, we request permission to run a step-rate test on the subject well within 90 days of first injection and adjust our injection rate so that injection pressure is below the fracture pressure exhibited by the test.
2. The subject well will be connected to the existing closed injection system of the unit.
3. The proposed initial average and maximum surface injection pressures will be 1235 psig and 1400 psig. The figures were obtained by comparison of the subject well to other injection wells within the unit. See VII part 1 concerning step-rate testing and long term maximum pressure.
4. The source of injection fluid will be produced water from the unit and fresh water purchased from the City of Carlsbad through its Double Eagle water line. Compatibility of this injection water with formation water has not caused a problem previously within the unit, therefore we request that water compatibility testing not be required.
5. Injection into the subject well will not be for disposal purposes.

VIII. Geologic data:

The injection interval will be from +1667 to +1586 subsea. This will include the seven Metex zones of the Grayburg formation. The Metex zones are characterized by intervals of fine grained sandstone and dolomite, and intermittent streaks of shaley dolomite with traces of anhydrite.

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	1
CASE NO.	8916

- IX. No additional stimulation is planned at this time.
- X. Well logs have been previously submitted to the Division.
- XI. Attached you will find a water analysis for the only fresh water well within one mile of the proposed injection well. Also you will find a copy of the letter from the State Engineer's Office stating the location and estimated depth of this well.
- XII. This is not an application for a disposal well.
- XIII. Attached you will find receipts indicating that each of the offset leasehold operators and surface owners have received a copy of this application.



Tubular Data

Surface casing

Size 7", 23# @ 485' Cemented with 410 gr.
TOC Surface feet determined by Circulation
Hole size Assume 10"

Intermediate casing

Size _____ Cemented with _____ gr.
Surf. Csg. TOC 485' feet determined by _____
Hole size _____

Long string

Size 4 1/2", 10.5# @ 1987' Cemented with 175 gr.
TOC 1400' feet determined by Temp. Surv.
Hole size Assume 6.25"
Total depth 1987'

Injection interval

1858' feet to 1939' feet
(perforated or open-hole, indicate which)

TOC 1400'

Packer 1800'

Perfs 1858'-1939'
T.D. 1987'

Tubing size 2 3/8" lined with Plastic net in a
(material)
Baker Plastic Coated AD-1 packer at 1800' feet
(brand and model)

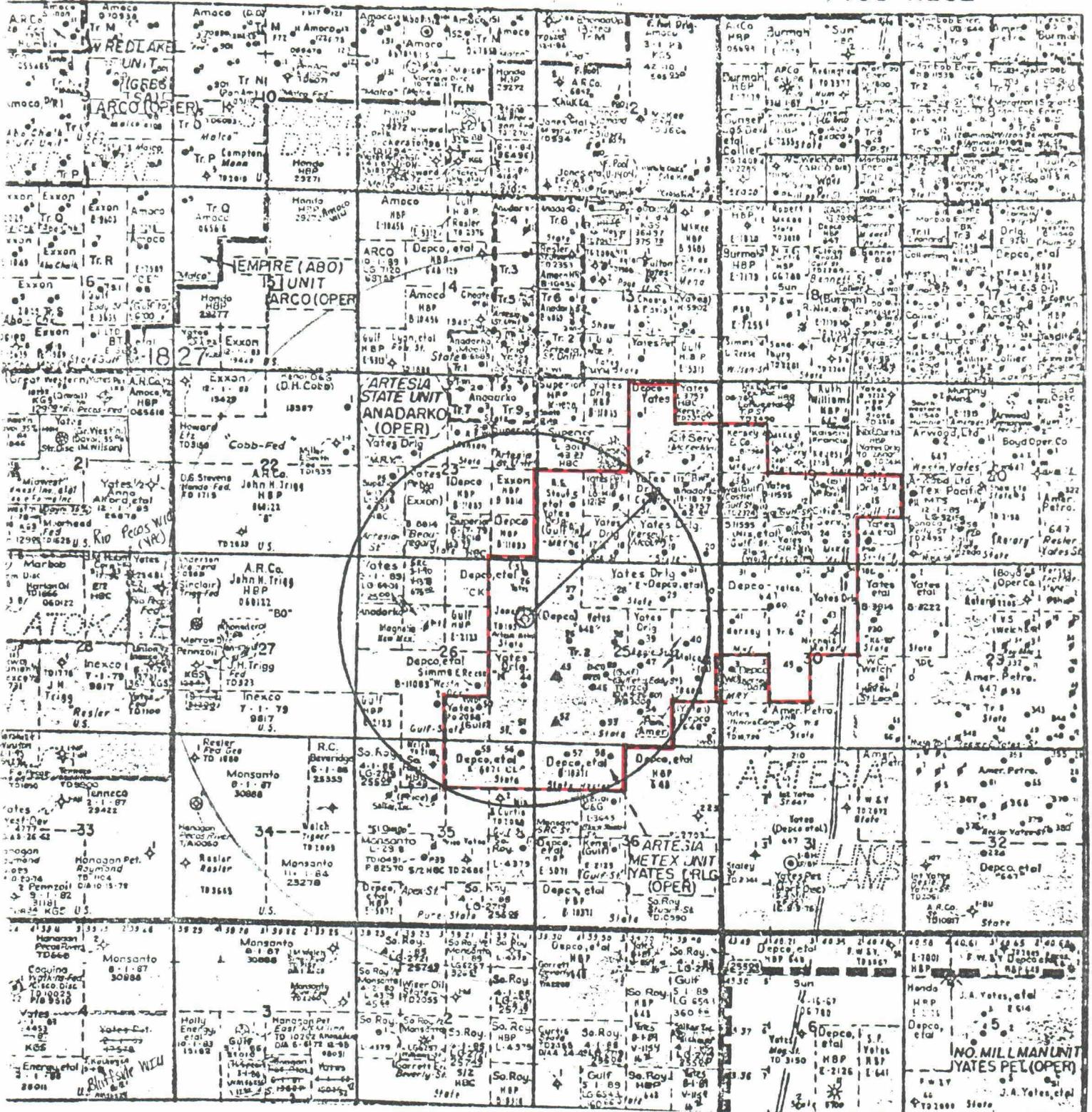
(or describe any other casing-tubing seal).

Other Data

- Name of the injection formation Grayburg
- Name of Field or Pool (if applicable) Artesia Queen-Grayburg-SA
- Is this a new well drilled for injection? Yes No
If no, for what purpose was the well originally drilled? Oil Production

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) No other perforations

5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Queen 1300' San Andres 2050'

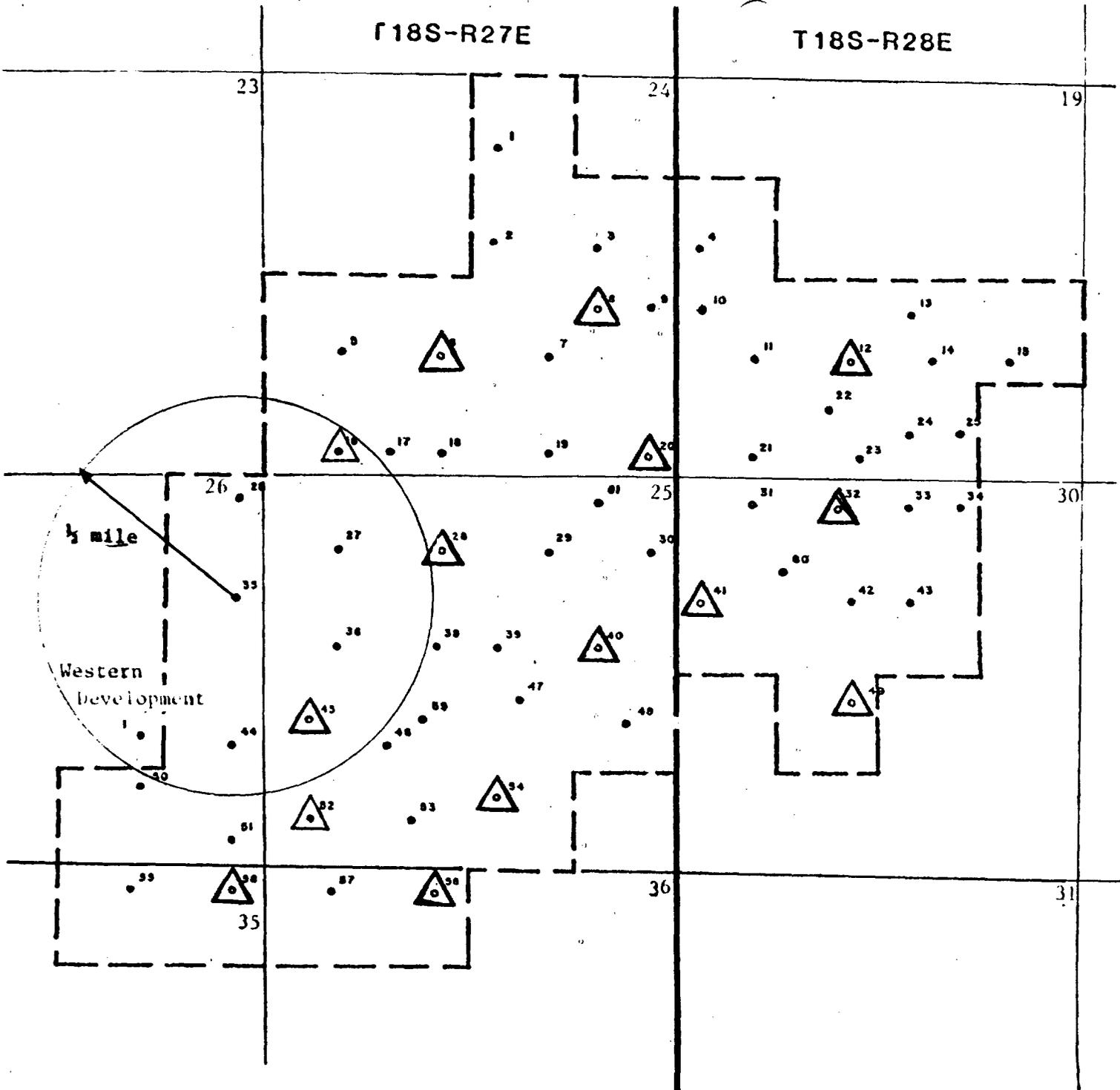


YATES DRILLING CO.

Artesia Metex Unit

Proposal to Convert AMU #35 to Injection

Scale : 1" : 4000'



YATES DRILLING CO.

Artesia Metex Unit

Proposal to Convert
AMU #35 to Injection

▲⁵² — injection well

LEASE NAME: Artesia Metex Unit WELL NUMBER: 16
OPERATOR: Yates Drilling Company LEASE NUMBER: NM-648
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 330' FNL & 990' FWL Section 24-18S-27E
ELEVATION: 3568' GL TOTAL DEPTH: 2150'
SURFACE CASING: 8 5/8", 24# @ 486' CEMENT: 50 sx. TOP:
INT. CASING: CEMENT: sx. TOP:
PROD. CASING: 5 1/2", 14# @ 2150' CEMENT: 370 sx. TOP:
SPUD DATE: 6-1-51 COMP. DATE: 2-11-52
PERFORATIONS: 2014-2105, 1940-88
STIMULATION: Shot open hole 1946-1998 with 200 qts. Nitro.
Frac 2014-2105 with 42000 gals. gelled water and 44000# sand
COMP. TYPE: Originally completed open hole as oil well. Later ran 5 1/2" csg.
CURRENT STATUS: Artesia Metex Unit Injection Well

LEASE NAME: Artesia Metex Unit WELL NUMBER: 26
OPERATOR: Yates Drilling Company LEASE NUMBER:
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 330' FNL & 330' FEL Section 26-18S-27E
ELEVATION: 3536' GL TOTAL DEPTH: 1991'
SURFACE CASING: 8 5/8" @ 494' CEMENT: 50 sx. TOP:
INT. CASING: CEMENT: sx. TOP:
PROD. CASING: 4 1/2", 9.5# @ 1991' CEMENT: 250 sx. TOP: 1500 est.
SPUD DATE: 3-9-50 COMP. DATE: 4-18-50
PERFORATIONS: Shot open hole 1956-1880 with 350 qts. Nitro.
STIMULATION: Breakdown and frac 1856'-1951' with 2250 gals. 15% HCL. 20000 gals.
gelled water and 12000# sand.
COMP. TYPE: Originally completed open hole. 4 1/2" csg. ran 4-23-74
CURRENT STATUS: Pumping oil well

LEASE NAME: Artesia Met Unit WELL NUMBER: 27
OPERATOR: Yates Drilling Company LEASE NUMBER: NM-648
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 990' FNL & 990' FWL Section 25-18S-27E
ELEVATION: 3564' GL TOTAL DEPTH: 2040'
SURFACE CASING: 8 5/8" @ 496' CEMENT: 50 sx. TOP: _____
INT. CASING: _____ CEMENT: _____ sx. TOP: _____
PROD. CASING: _____ CEMENT: _____ sx. TOP: _____
SPUD DATE: 3-8-50 COMP. DATE: 3-31-50
PERFORATIONS: None
STIMULATION: Shot open hole 1940-2040 with 390 qts. Nitro.
Frac with 40000 gals. gelled water and 30000# sand
COMP. TYPE: Completed open hole, as oil well.
CURRENT STATUS: Pumping oil well.

LEASE NAME: Artesia Metex Unit WELL NUMBER: 35
OPERATOR: Yates Drilling Company LEASE NUMBER: _____
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 1650' FNL & 330' FEL Section 26-18S-27E
ELEVATION: 3525' GL TOTAL DEPTH: 1987'
SURFACE CASING: 7", 23# @ 485' CEMENT: 410 sx. TOP: Surface
INT. CASING: _____ CEMENT: _____ sx. TOP: _____
PROD. CASING: 4 1/2", 10.5# @ 1987' CEMENT: 175 sx. TOP: 1400 Temp. Sur.
SPUD DATE: 4-27-50 COMP. DATE: _____
PERFORATIONS: 1858-1939
STIMULATION: Frac perms with 40000 gals. gelled water and 73700# sand
COMP. TYPE: Originally drilled then P&A. Re-entered 4-83.
CURRENT STATUS: Pumping oil well

LEASE NAME: Artesia Met. Unit WELL NUMBER: 36
OPERATOR: Yates Drilling Company LEASE NUMBER: NM-648
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 2310' FNL & 990' FWL Section 25-18S-27E
ELEVATION: 3551' GL TOTAL DEPTH: 2004'
SURFACE CASING: 8 5/8", 24# @ 449' CEMENT: 50 SX. TOP: _____
INT. CASING: _____ CEMENT: _____ SX. TOP: _____
PROD. CASING: 4 1/2", 11.6# @ 2004' CEMENT: 100 SX. TOP: _____
SPUD DATE: 4-11-50 COMP. DATE: 5-5-50
PERFORATIONS: 1986-98, 1918-32
STIMULATION: Shot open hole 1910-2001 with 360 qts. Nitro.
Frac 1986-98 with 20000 gals. gelled water and 40000# of sand
Frac 1918-32 with 20000 gals. gelled water and 40000# sand
COMP. TYPE: Originally completed open hole. ran 4 1/2" csg. perfed & frac'd 11-57.
CURRENT STATUS: Pumping oil well

LEASE NAME: Artesia Metex Unit WELL NUMBER: 44
OPERATOR: Yates Drilling Company LEASE NUMBER: B-11083
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 1650' FSL & 330' FEL Section 26-18S-27E
ELEVATION: _____ TOTAL DEPTH: 2030'
SURFACE CASING: 8 5/8" @ 502' CEMENT: 50 SX. TOP: _____
INT. CASING: _____ CEMENT: _____ SX. TOP: _____
PROD. CASING: _____ CEMENT: _____ SX. TOP: _____
SPUD DATE: 7-31-51 COMP. DATE: 9-9-51
PERFORATIONS: None
STIMULATION: Shot open hole 1861-1971 with 430 qts. Nitro
Frac below open hole. packer @ 1845' with 40000 gals gelled. water
and 30000# sand.
COMP. TYPE: Originally completed open hole. Re-entered 5-67. left open hole.
CURRENT STATUS: Pumping oil well

LEASE NAME: Artesia Met. Unit WELL NUMBER: 45
OPERATOR: Yates Drilling Company LEASE NUMBER: NM-648
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 1980' FSL & 660' FWL Section 25-18S-27E
ELEVATION: 3552' GL TOTAL DEPTH: 2010
SURFACE CASING: 8 5/8", 28# @ 500' CEMENT: 50 sx. TOP: _____
INT. CASING: _____ CEMENT: _____ sx. TOP: _____
PROD. CASING: 4 1/2", 11.6# @ 2010' CEMENT: 175 sx. TOP: 1510 est.
SPUD DATE: 11-51 COMP. DATE: 10-51
PERFORATIONS: 1873-2005'
STIMULATION: Shot open hole 1925-2010 with 400 qts. Nitro.
Acidized perms. with 4000 gals. 15% HCL
Frac 1873-2005 with 72500 gals oil and 14000# sand
COMP. TYPE: Originally completed open hole. Ran 4 1/2" csg. 1-58.
CURRENT STATUS: Artesia Metex Injection Well

LEASE NAME: Western Development WELL NUMBER: 1
OPERATOR: H&S Oil Company LEASE NUMBER: B-11083
FORMATION: Grayburg POOL: Artesia Queen-Grayburg-SA
LOCATION: 1650' FSL & 1650' FEL Section 26-18S-27E
ELEVATION: 3522' GL TOTAL DEPTH: 1945' PBTD 1931'
SURFACE CASING: 8 5/8", 24# @ 301' CEMENT: 50 sx. TOP: _____
INT. CASING: _____ CEMENT: _____ sx. TOP: _____
PROD. CASING: 5 1/2", 14# @ 1931' CEMENT: 50 sx. TOP: _____
SPUD DATE: 10-10-60 COMP. DATE: 10-29-60
PERFORATIONS: 1904-08', 1912-14'. 1916-18'
STIMULATION: Original 20000 gals lease crude with 14000 # sand

COMP. TYPE: Oil well
CURRENT STATUS: Pumping oil well

RECEIVED APR 30 1985



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

ROSWELL

S. E. REYNOLDS
STATE ENGINEER

April 29, 1985

DISTRICT II
909 E. 2nd STREET
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

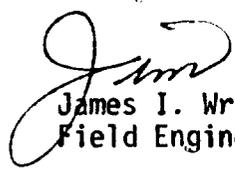
T.L. Rhodes, Engineer
YATES DRILLING COMPANY
Yates Building
207 S. 4th Street
Artesia, New Mexico 88210

Dear Mr. Rhodes:

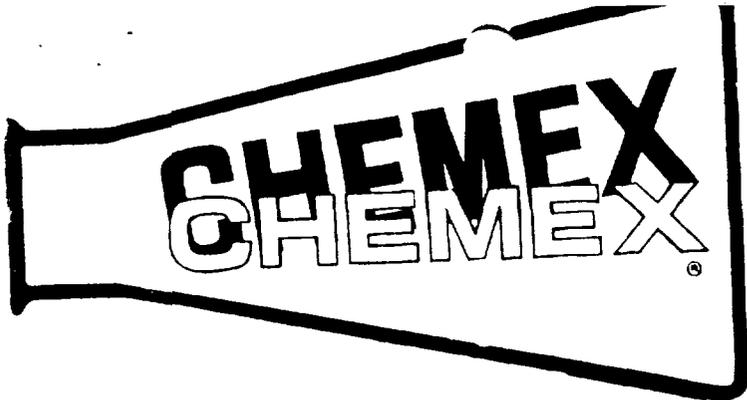
In reply to your letter of April 24, 1985, regarding water wells in the vicinity of section 26, Township 18 South, Range 27 East, this is to advise you that we have very little data in this area. There is a windmill in the SW₄NE₄SE₄NW₄SW₄ of Section 26 but I don't know how deep it is.

In my opinion the only fresh water in this area would be from the Artesia Group and would probably be in the upper 400 feet of the formation.

Yours truly,


James I. Wright
Field Engineer

JIW/tmg
cc Santa Fe



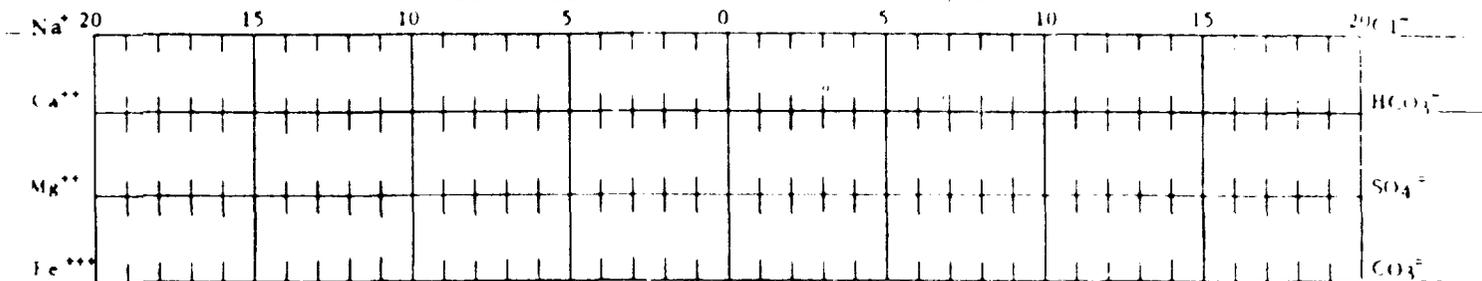
P. O. Box 423
 Artesia, N. M. 88210

WATER ANALYSIS REPORT

Company Yates Drilling Co. Date 11-21-85
 Field Metex County Eddy State NM
 Lease and Well No. Fresh H₂O well Offset #35 Prod. Formation _____
 Source of Sample _____
 Sample of Prod. Water Inj. Water Other
 Date Collected _____ Analyst Kent Jones

WATER ANALYSIS PATTERN

NUMBER BESIDE ION SYMBOL INDICATES mg/l SCALE UNIT



Dissolved Solids

Constituent	MG/L (PPM)
Calcium	nil
Magnesium	nil
Sodium	nil
Iron	nil
Chloride	nil
Bicarbonate	48
Carbonate	0
Sulfate	nil
Total Hardness	nil
Total Dissolved Solids	48
Hydrogen Sulfide	nil
Oxygen	10+

EPM

_____	ph <u>6.85</u>
_____	Sp. Gravity _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Remarks:

Form 3811, July 1983 447-845

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery.

3. Article Addressed to:
Dupeo, Inc.
Suite 875, Empire Plaza
Midland, Texas 79701

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	<i>P-010-002-226</i>

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X [Signature]

7. Date of Delivery
12-5-85

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

Form 3811, July 1983 447-845

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
M.M. Co. Construction Division
P.O. Drawer 00
Antonia 77921 88210

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	<i>P-010-002-227</i>

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X [Signature]

6. Signature - Agent
X

7. Date of Delivery
12-5-85

8. Addressee's Address (ONLY if requested and fee paid)
Antonia P.O.

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
Production Co.
97
Midland, Texas 79702

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	<i>P-010-001-999</i>

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X [Signature]

7. Date of Delivery
12-5-85

8. Addressee's Address (ONLY if requested and fee paid)



DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
Southland Realty Company
200 Southfield Tower
801 CHERRY ST.
Fort Worth, Texas 76102

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	<i>P-010-001-998</i>

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X [Signature]

7. Date of Delivery
12-6-85

8. Addressee's Address (ONLY if requested and fee paid)
801 CHERRY ST SUITE 200

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
 2. Restricted Delivery.

3. Article Addressed to:
*Ship Co Corporation
 PO Box 1150
 Medford, Texas 79702*

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number <i>P 010-001-907</i>
--	--

Always obtain signature of addressee or agent and **DATE DELIVERED.**

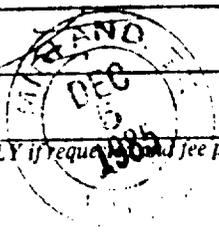
5. Signature - Addressee
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
DEC 5 1985

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT



PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
 2. Restricted Delivery.

3. Article Addressed to:
*Police agent for Supermarket
 PO Box 10822
 Houston, Texas 77212*

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number <i>P 010-001-225</i>
--	--

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X

6. Signature - Agent
 X *TONY [Signature]*

7. Date of Delivery
DEC 09 1985

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

LEGAL NOTICE

NOTICE OF PUBLICATION

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application for authorization for an additional injection well has been submitted for approval to the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501.

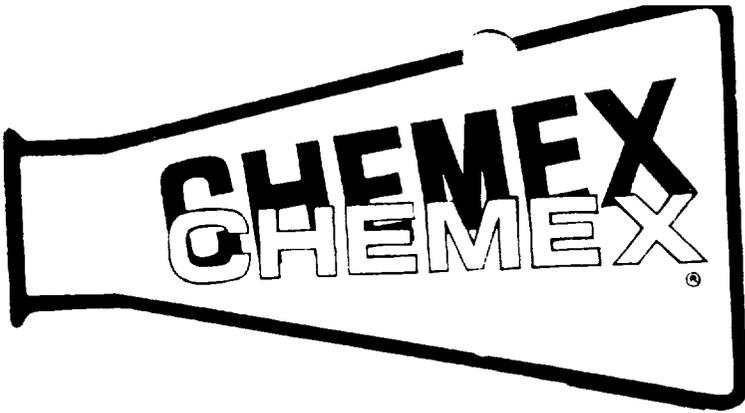
Yates Drilling Company, 207 South 4th Street, Artesia, New Mexico, (505) 746-9889, Tobin L. Rhodes, contact party proposes the conversion of a producing well to an injection well to provide additional injection capability in the Artesia Metex Unit Waterflood. The proposed injection will be in the Artesia Metex Unit Waterflood well #35, 1650' FNI, and 330' FSI., Section 26-T18S-27E, Eddy County, New Mexico.

Injection will be into the Grayburg formation between 1058' and 1939'. Maximum injection rate will be 500 barrels of water per day. Maximum injection pressure will be 1400 psi.

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division at the above address within 15 days.

Published in the Artesia Daily Press, Artesia, N.M., Dec. 31, 1985.

Legal No. 11378.



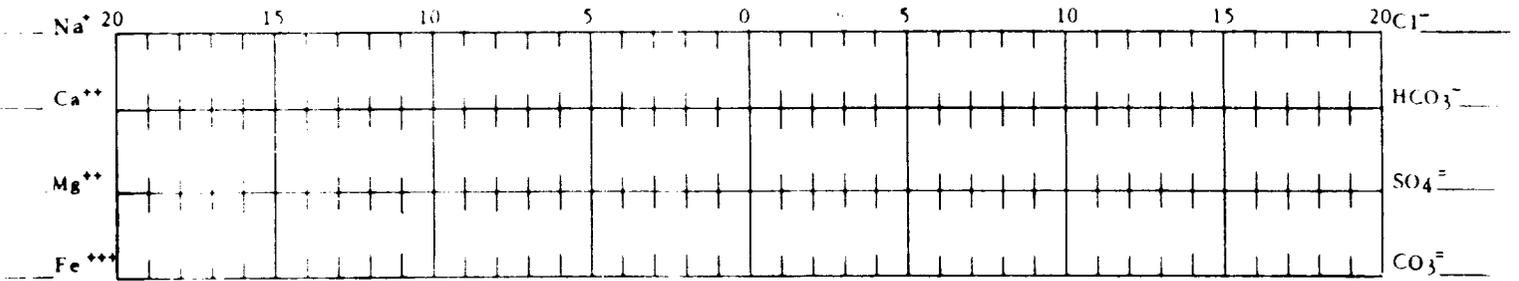
P. O. Box 423
Artesia, N. M. 88210

WATER ANALYSIS REPORT

Company Yates Drilling Co. Date 4-2-86
 Field Metex County Eddy State NM
 Lease and Well No. Metex #25 Prod. Formation _____
 Source of Sample wellhead
 Sample of Prod. Water Inj. Water Other
 Date Collected 4-1-85 Analyst Fred Jones

WATER ANALYSIS PATTERN

NUMBER BESIDE ION SYMBOL INDICATES mg/l SCALE UNIT



Dissolved Solids Constituent	MG./L. (PPM)	EPM	ph
Calcium	<u>820</u>	_____	<u>6.6</u>
Magnesium	<u>1230</u>	_____	Sp. Gravity _____
Sodium	<u>25;400</u>	_____	
Iron	<u>-0-</u>	_____	
Chloride	<u>49,600</u>	_____	
Bicarbonate	<u>355</u>	_____	
Carbonate	<u>185</u>	_____	
Sulfate	<u>4210</u>	_____	
Total Hardness	<u>2050</u>	_____	
Total Dissolved Solids	<u>54,350</u>	_____	
Hydrogen Sulfide	<u>4+</u>	_____	
Oxygen	<u>6.</u>	_____	

Remarks:

