

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

May 17, 1989

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay

**RECEIVED**

**MAY 22 1989**

**OIL CONSERVATION DIV.  
SANTA FE**

*Case 9098*

Re: Non-Standard Location:  
Dragonfly State Unit #2 Well  
Township 9 South, Range 27 East, NMPM  
Section 31: S $\frac{1}{2}$   
Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation respectfully requests administrative approval for a non-standard location being 600' FSL and 1650' FEL in Section 31, T9S-R27E, Chaves County, New Mexico for an Ordovician gas well. Yates drilled the well for a San Andres test well with a cable tool to 2070', it was a poor well. Yates needs to have established production on this lease by June 27, 1989 to satisfy a farmout on offset acreage. We feel we may have a shot at the Ordovician zone being on a 320 acre spacing unit.

Enclosed find a copy of the lease map showing offsetting lease operators, and a surveyor's plat. Offsetting lease operators have been notified of our intention by certified mail, via a xerox copy of this letter, along with a waiver stating that they have no objections. A copy of the waiver is enclosed.

If you have any questions concerning this matter, please do not hesitate to call.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Ken Beardemphl  
Landman

KB:blf

Enclosures

RE: Non-Standard Location  
Dragonfly State Unit #2 Well  
Township 9 South, Range 27 East, NMPM  
Section 31: S $\frac{1}{2}$   
Chaves County, New Mexico

Page 2.

OFFSET OPERATOR

Dragonfly State Unit #1  
Township 9 South, Range 27 East  
Section 3  
Chaves County, New Mexico

BHP Petroleum (Americas) Inc.  
6 Desta Drive  
Suite 3200  
Midland, Texas 79705-5510

Attention: Mr. Robert G. Elliott

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TREASURER

May 17, 1989

RECEIVED

MAY 30 1989



OIL CONSERVATION DIV.  
SANTA FE

Re: Non-Standard location for the  
Dragonfly State Unit #2  
660' FSL & 1650' FEL of  
Township 9 South, Range 27 East  
Section 31  
Chaves County, New Mexico

Please sign and return one (1) copy to the Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico, 88210, to the attention of Ken Beardemphl, and one (1) copy to Mr. William J. LeMay, Secretary-Director, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed Non-Standard location listed above. A xerox copy of a letter to Mr. William J. LeMay, Secretary-Director of the New Mexico Oil Conservation Division is attached to tell you of our intentions.

#### W A I V E R

As an offset operator, BHP Petroleum (Americas) Inc., has no objection to the Non-Standard location for the well listed above.

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Title  
5-26-89  
\_\_\_\_\_  
Date

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



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

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PRESIDENT  
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DENNIS G. KINSEY  
TREASURER

May 17, 1989

Re: Non-Standard location for the  
Dragonfly State Unit #2  
660' FSL & 1650' FEL of  
Township 9 South, Range 27 East  
Section 31  
Chaves County, New Mexico

Please sign and return one (1) copy to the Yates Petroleum Corporation, 105 South Fourth Street, Artesia, New Mexico, 88210, to the attention of Ken Beardempal, and one (1) copy to Mr. William J. LeMay, Secretary-Director, New Mexico Oil Conservation, P.O. Box 2088, Santa Fe, New Mexico 87501, if you have no objections to the proposed Non-Standard location listed above. A xerox copy of a letter to Mr. William J. LeMay, Secretary-Director of the New Mexico Oil Conservation Division is attached to tell you of our intentions.

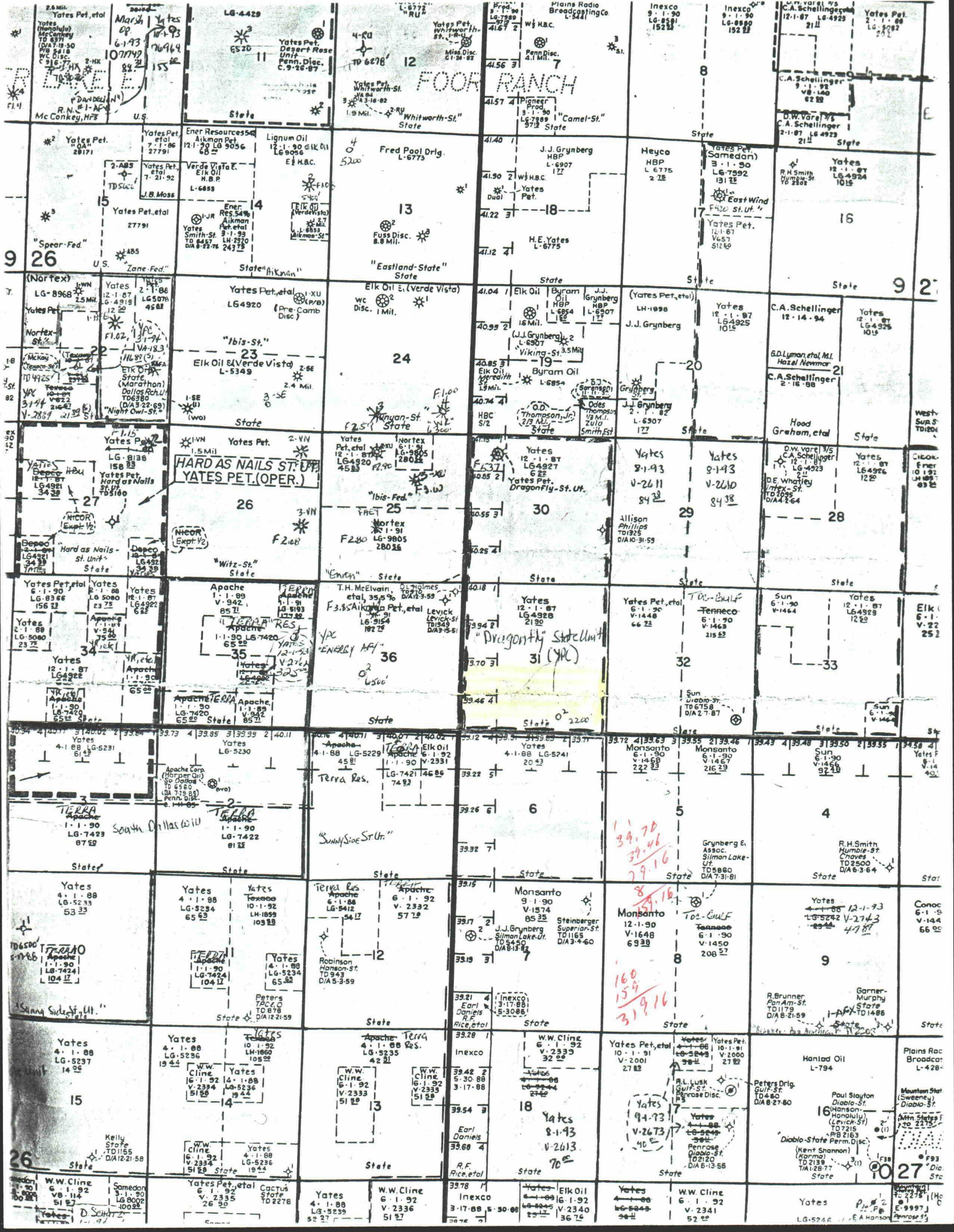
#### W A I V E R

As an offset operator, BHP Petroleum (Americas) Inc., has no objection to the Non-Standard location for the well listed above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



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

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

|  |  |   |                         |  |  |
|--|--|---|-------------------------|--|--|
| Operator<br><b>YATES PETROLEUM CORPORATION</b> |  | Lease<br><b>DRAGON FLY STATE UNIT</b>                         |                         | Well No.<br><b>2</b>                   |  |
| Unit Letter<br><b>"O"</b>                      | Section<br><b>31</b>                     | Township<br><b>9 South</b>                                    | Range<br><b>27 East</b> | County<br><b>Chaves</b>                |  |
| Actual Footage Location of Well:               |  |   |                         |  |  |
| 660 feet from the South line and               |  | 1650 feet from the East line                                  |                         |  |  |
| Ground Level Elev.<br><b>3916.0</b>            | Producing Formation<br><b>Ordovician</b> | Pool<br><b>Four Ranch Wolfcamp<br/>Four Ranch Precambrian</b> |                         | Dedicated Acreage:<br><b>320</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 \_\_\_\_\_

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.

*Refer to original*

Name Plat

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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 \_\_\_\_\_

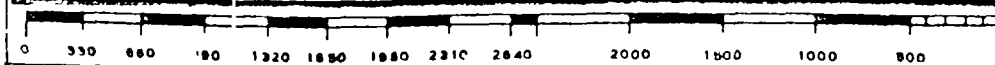
Registered Professional Engineer and/or Land Surveyor

**L. JONES**  
3640  
CERTIFICATE REGISTERED LAND SURVEYOR

LG-4928

1650

660



Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

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

MAY 15 '89

|   |
|---|
| API NO. (assigned by OCD on New Wells)<br>30-005-62659  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>LG-4928   |
| 7. Lease Name or Unit Agreement Name<br>Dragonfly State Unit  |
| 8. Well No.<br>#2   |
| 9. Pool name or Wildcat Pool Ranch Wolf<br>camp - Poor Ranch Pre-Cambrian                           |

|   |                          |   |                     |   |          |
|---|--------------------------|---|---------------------|---|----------|
| APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK   |                          |   |                     |   |          |
| 1a. Type of Work:<br>DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>   |                          |   |                     |   |          |
| b. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>             |                          |   |                     |   |          |
| 2. Name of Operator<br>Yates Petroleum Corporation  |                          |   |                     |   |          |
| 3. Address of Operator<br>105 South Fourth Street, Artesia, New Mexico 88210  |                          |   |                     |   |          |
| 4. Well Location<br>Unit Letter <u>O</u> : <u>660'</u> Feet From The <u>South</u> Line and <u>1650'</u> Feet From The <u>East</u> Line<br>Section <u>31</u> Township <u>9South</u> Range <u>27East</u> NMPM Chaves County |                          |   |                     |   |          |
| 10. Proposed Depth<br>6700'   |                          | 11. Formation<br>Ordovician             |                     | 12. Rotary or C.T.<br>Rotary            |          |
| 13. Elevations (Show whether DF, RT, GR, etc.)<br>3916  |                          | 14. Kind & Status Plug. Bond<br>Blanket |                     | 15. Drilling Contractor<br>Undesignated |          |
| 16. Approx. Date Work will start<br>ASAP  |                          |   |                     |   |          |
| 17. PROPOSED CASING AND CEMENT PROGRAM  |                          |   |                     |   |          |
| SIZE OF HOLE<br>7 7/8"  | SIZE OF CASING<br>5 1/2" | WEIGHT PER FOOT<br>15.5# J-55           | SETTING DEPTH<br>TD | SACKS OF CEMENT<br>300 sacks            | EST. TOP |
|   |                          |   |                     |   |          |
|   |                          |   |                     |   |          |

This well was drilled to a depth of 2070' by a cable tool. We now propose to move in a rotary and test the Ordovician and intermediate formations. Surface casing has been set and cemented. If commercial, production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Cut brine to 4450', SW gel/Starch to TD

BOP PROGRAM: BOP's will be installed at the offset and tested daily

GAS NOT DEDICATED

RECEIVED

MAY 23 1989

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 11/22/89  
UNLESS DRILLING UNDERWAY

OIL CONSERVATION DIV.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. IF REAL IS TO DEEPEN 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.

SIGNATURE Ken Beardemphl TITLE Landman DATE 5/15/89  
TYPE OR PRINT NAME Ken Beardemphl TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE MAY 19 1989  
CONDITIONS OF APPROVAL, IF ANY:

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

Form C-102  
Supersedes C-128  
Effective 1-4-65

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

|  |  |                            |   |                         |  |
|--|--|----------------------------|---|-------------------------|--|
| Operator<br><b>YATES PETROLEUM CORPORATION</b> |  |                            | Lease<br><b>DRAGON FLY STATE UNIT</b>         |                         | Well No.<br><b>2</b>                   |
| Unit Letter<br><b>"O"</b>                      | Section<br><b>31</b>                     | Township<br><b>9 South</b> | Range<br><b>27 East</b>                       | County<br><b>Chaves</b> |  |
| Actual Footage Location of Well:               |  |                            |   |                         |  |
| <b>660</b>                                     | feet from the                            | <b>South</b>               | line and                                      | <b>1650</b>             | feet from the East line                |
| Ground Level Elev.<br><b>3916.0</b>            | Producing Formation<br><b>Ordovician</b> |                            | Foot Ranch Wolfcamp<br>Foot Ranch Precambrian |                         | Dedicated Acreage:<br><b>320</b> Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, unitization, force-pooling, etc?

☐ Yes    ☒ No    If answer is "yes," type of consolidation \_\_\_\_\_

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 communization, unitization or forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**LG-4928**

**CERTIFICATION**

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

*Refer to original*  
Name **Plat**

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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.

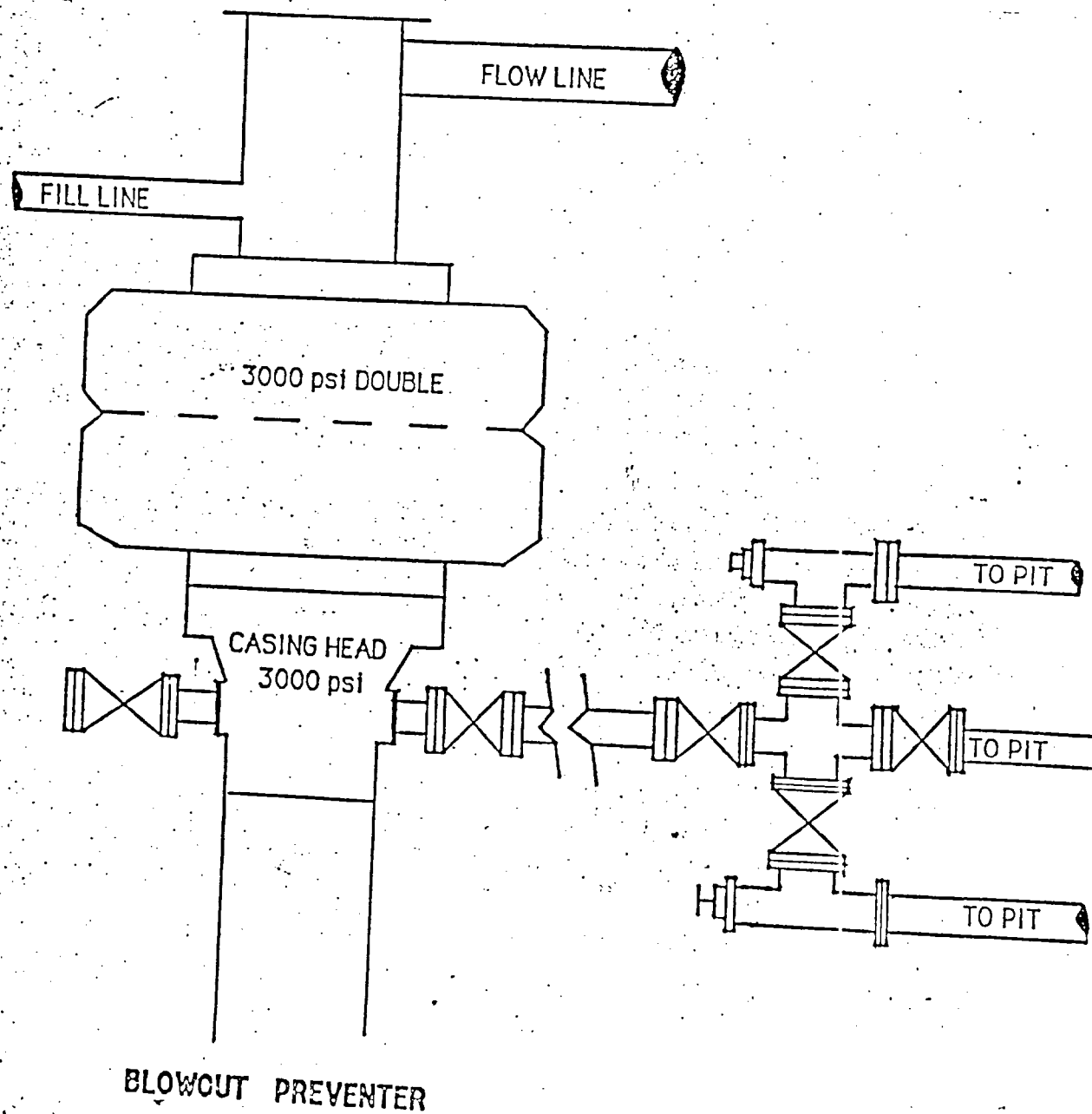
Date Surveyed **December 1983**

Registered Professional Engineer and/or Land Surveyor  
**JOHNS**  
**3840**

Certificate **FILED**  
**NEW MEXICO**  
**REGISTERED LAND SURVEYOR**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

YATES  
PETROLEUM  
CORPORATION



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

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

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

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

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

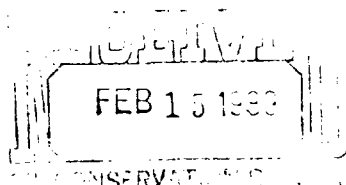
|   |
|---|
| WELL API NO.<br>30-005-62659  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>LG 4928   |
| 7. Lease Name or Unit Agreement Name<br>Dragonfly State Unit  |
| 8. Well No.<br>2  |
| 9. Pool name or Wildcat<br>Wildcat San Andres   |

|   |             |
|---|-------------|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT RECEIVED (FORM C-101) FOR SUCH PROPOSALS.) |             |
| 1. Type of Well:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   | FEB 13 '89  |
| 2. Name of Operator<br>Yates Petroleum Corporation ✓  |             |
| 3. Address of Operator<br>150 South 4th St., Artesia, NM 88210  | ES'A OFFICE |
| 4. Well Location<br>Unit Letter 0 : 660 Feet From The South Line and 1650 Feet From The East Line<br>Section 31 Township 9S Range 27E NMPM Chaves County  |             |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.)<br>3616' GR  |             |

|   |  |
|---|--|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data |  |
| NOTICE OF INTENTION TO:   | SUBSEQUENT REPORT OF:  |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                                | PLUG AND ABANDON <input type="checkbox"/>                      |
| TEMPORARILY ABANDON <input type="checkbox"/>                                  | CHANGE PLANS <input type="checkbox"/>                          |
| PULL OR ALTER CASING <input type="checkbox"/>                                 | REMEDIAL WORK <input type="checkbox"/>                         |
| OTHER: <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/>                       |
|   | COMMENCE DRILLING OPNS. <input type="checkbox"/>               |
|   | PLUG AND ABANDONMENT <input type="checkbox"/>                  |
|   | CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> |
|   | OTHER: <input type="checkbox"/>                                |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103

Reached TD to run casing 4:30 PM 1-24-89. Ran 20 joints 8-5/8" 24# J-55 L&TC casing set 556'. Regular guide shoe 556', insert float 529'. Cemented w/500 gals Flocheck 21, 350 sx Halliburton Lite with 1/4#/sx Flocele + 3% CaCl2 (yield 1.84, weight 12.7). Tailed in w/150 sx Class "C" + 2% CaCl2 (yield 1.32, weight 14.8). PD 4:15 PM 1-26-89. Bumped plug to 300 psi, released pressure and float held okay. Cement circulated 50 sacks. WOC.  
1-29-89. Resumed drilling with cable tools.



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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 2-10-89  
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Mr. Williams TITLE SUPERVISOR, DISTRICT II DATE FEB 14 1989  
CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

|                        |                                     |
|------------------------|-------------------------------------|
| NO. OF COPIES RECEIVED |                                     |
| DISTRIBUTION           |                                     |
| SANTA FE               | <input checked="" type="checkbox"/> |
| FILE                   |                                     |
| U.S.G.S.               |                                     |
| LAND OFFICE            |                                     |
| OPERATOR               |                                     |

OIL CONSERVATION DIVISION RECEIVED

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

JAN 06 '89

O. C. D.  
ARTESIA OFFICE

Form C-103  
Revised 10-1-73

API #30-005-62659

|   |                              |
|---|------------------------------|
| 5a. Indicate Type of Lease                |                              |
| State <input checked="" type="checkbox"/> | Fee <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.              |                              |
| LG 4928                                   |                              |

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

|   |  |
|---|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                          | 7. Unit Agreement Name                               |
| 2. Name of Operator<br>Yates Petroleum Corporation  | 8. Farm or Lease Name<br>Dragonfly State Unit        |
| 3. Address of Operator<br>105 South 4th St., Artesia, NM 88210  | 9. Well No.<br>2                                     |
| 4. Location of Well<br>UNIT LAYER 0 660 FEET FROM THE South LINE AND 1650 FEET FROM THE East LINE, SECTION 31 TOWNSHIP 9S RANGE 27E NMPM. | 10. Field and Pool, or Wildcat<br>Wildcat San Andres |
| 15. Elevation (Show whether DF, RT, GR, etc.)<br>3616' GR   | 12. County<br>Chaves                                 |

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

|  |   |
|--|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     |
| PULL OR ALTER CASING <input type="checkbox"/>  | OTHER <input type="checkbox"/>            |

SUBSEQUENT REPORT OF:

|  |   |
|--|---|
| REMEDIAL WORK <input type="checkbox"/>               | ALTERING CASING <input type="checkbox"/>              |
| COMMENCE DRILLING OPS. <input type="checkbox"/>      | PLUG AND ABANDONMENT <input type="checkbox"/>         |
| CASING TEST AND CEMENT JOBS <input type="checkbox"/> | OTHER Spud Notice <input checked="" type="checkbox"/> |

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded 12-1/4" hole 1:50 PM 12-28-88. Notified Carol Winters, NMOCD, Artesia, NM, of spud.  
Drilling with cable tools.  
1-4-89 - TD 110'.

RECEIVED  
JAN 11 1989  
OIL CONSERVATION DIVISION  
SANTA FE

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

SIGNED [Signature] TITLE Production Supervisor DATE 1-4-89

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT 11 DATE JAN 9 1989

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION RECEIVED

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

30-225-62659  
Form C-101  
Revised 10-1-78

|                        |                                     |
|------------------------|-------------------------------------|
| NO. OF COPIES RECEIVED |                                     |
| DISTRIBUTION           |                                     |
| SANTA FE               | <input checked="" type="checkbox"/> |
| FILE                   |                                     |
| U.S.G.S.               |                                     |
| LAND OFFICE            |                                     |
| OPERATOR               |                                     |

DEC 23 '88

O. C. D.

ARTESIA, OFFICE

|   |                               |
|---|-------------------------------|
| 5A. Indicate Type of Lease                |                               |
| STATE <input checked="" type="checkbox"/> | FEED <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.              |                               |
| LG-4928                                   |                               |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|  |  |   |  |
|--|--|---|--|
| 1a. Type of Work   |  | 7. Unit Agreement Name                                  |  |
| b. Type of Well<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/><br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  | 8. Farm or Lease Name                                   |  |
| 2. Name of Operator<br>Yates Petroleum Corporation   |  | 9. Well No.<br>2  |  |
| 3. Address of Operator<br>105 South Fourth Street - Artesia, NM 88210  |  | 10. Field and Pool, or Wildcat<br>Wildcat San Andres    |  |
| 4. Location of Well<br>UNIT LETTER 0 LOCATED 660 FEET FROM THE South LINE<br>AND 1650 FEET FROM THE East LINE OF SEC. 31 TWP. 9S RGE. 27E  |  | 12. County<br>Chaves                                    |  |
| 19. Proposed Depth<br>2200'  |  | 19A. Formation<br>San Andres                            |  |
| 20. History or C.T.<br>Cable Tool  |  | 21. Kind & Status Plug. Bond<br>Blanket                 |  |
| 21A. Kind & Status Plug. Bond<br>Blanket   |  | 21B. Drilling Contractor<br>Undesignated                |  |
| 22. Approx. Date Work will start<br>ASAP   |  | 23. Elevations, show whether DF, RT, etc.)<br>3616.0 GR |  |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP  |
|--------------|----------------|-----------------|---------------|-----------------|-----------|
| 12-1/2"      | 8-5/8"         | 24# J-55        | Approx. 550'  | 400 sacks       | Circulate |
| 8"           | 5-1/2"         | 14# J-55        | TD            | 300 sacks       |           |

We propose to drill and test the San Andres formation. Approximately 550' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 6/22/89  
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN 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 Clifton R May Title Permit Agent Date December 23, 1988  
(This space for State Use)

APPROVED BY Mike Williams TITLE SUPERVISOR, DISTRICT II DATE DEC 27 1988  
CONDITIONS OF APPROVAL, IF ANY:

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

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

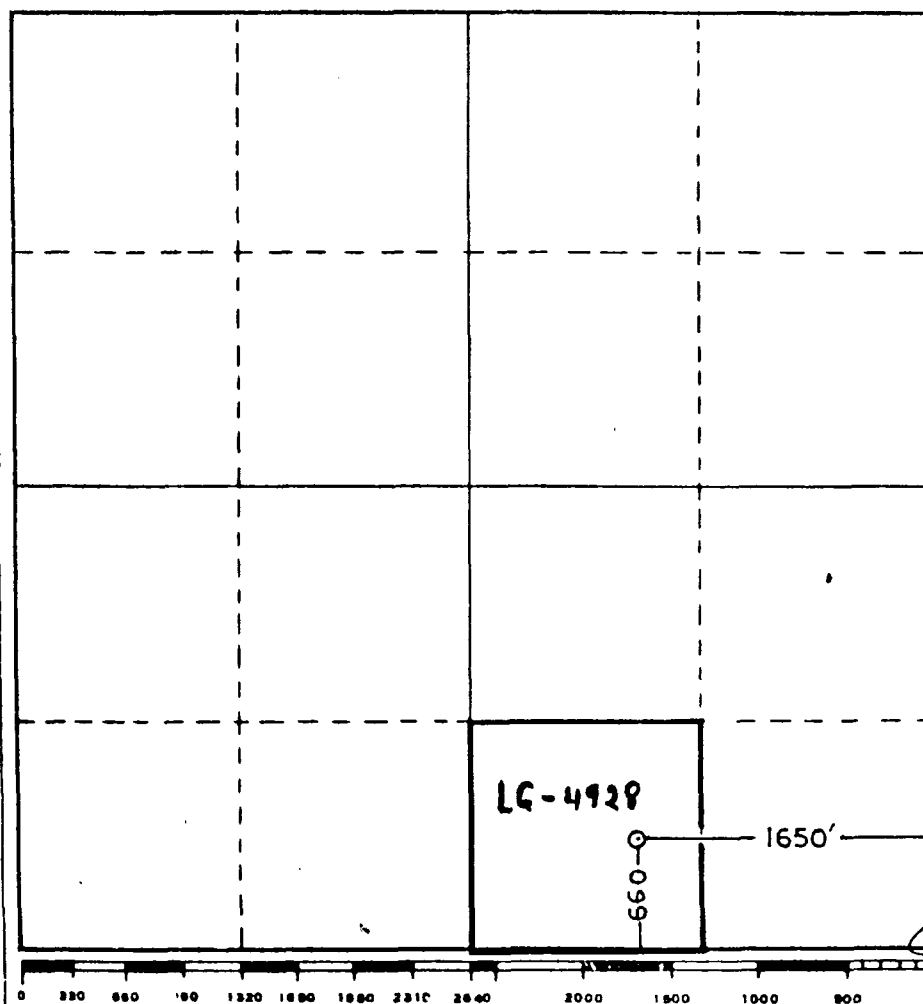
|   |  |                           |  |                         |                                       |
|---|--|---------------------------|--|-------------------------|---------------------------------------|
| Operator<br><b>Yates Petroleum Corporation</b>  |  |                           | Lease<br><b>LG-4928 Dragonfly State Unit</b> |                         | Well No.<br><b>2</b>                  |
| Unit Letter<br><b>0</b>   | Section<br><b>31</b>                     | Township<br><b>9South</b> | Range<br><b>27 East</b>                      | County<br><b>Chaves</b> |                                       |
| Actual Footage Location of Well:<br><b>660</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>East</b> line |  |                           |  |                         |                                       |
| Ground Level Elev.<br><b>3616.0'</b>  | Producing Formation<br><b>SAN ANDRES</b> |                           | Pool<br><b>WILDCAT SAN ANDRES</b>            |                         | Dedicated Acreage:<br><b>40</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 \_\_\_\_\_

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.

*Clifton R. May*

Name

Clifton R. May

Position

Permit Agent

Company

Yates Petroleum Corporation

Date

12-23-88

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.

December 23, 1988

Date

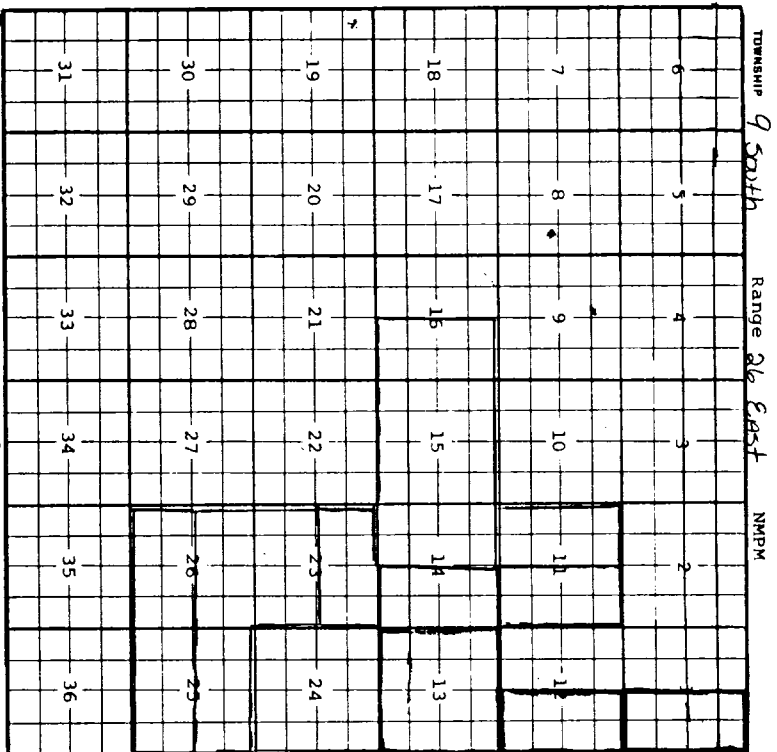
Recorded and Indexed in the Office of the State Engineer

and the State Surveyor

3640

3640

County Chaves Pool Four Ranch-Ac. Permian Gas



Description: Sec. 1  $\frac{1}{4}$ , Sec. 12  $\frac{1}{4}$ , Sec. 13 all (R-7048, 8-9-82)

Ext:  $\frac{1}{2}$  Sec. 14 (R-2302, 6-14-83) EXT:  $\frac{1}{4}$  Sec. 23 (R-2432, 2-6-84)

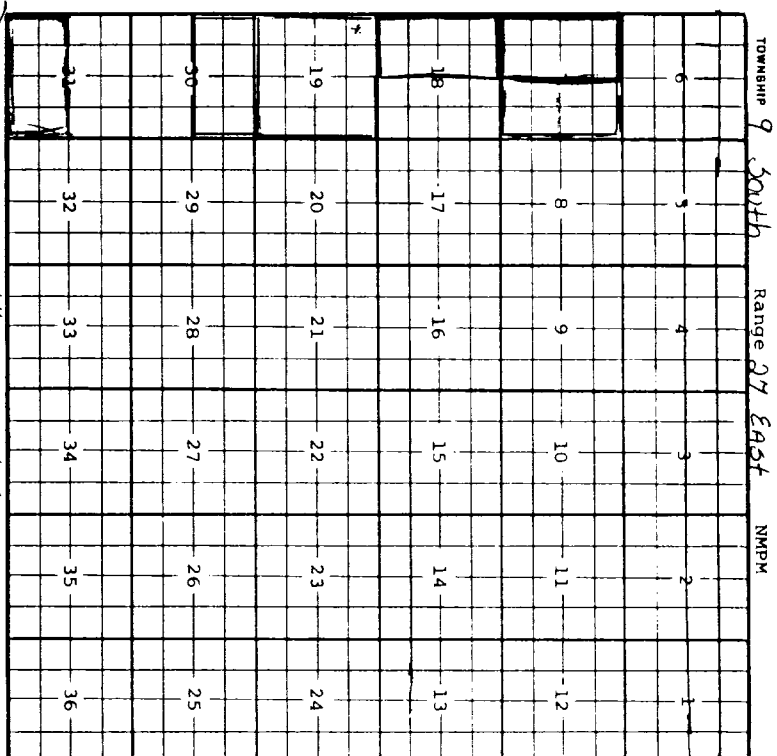
Ext:  $\frac{1}{2}$  Sec. 14, All Sec. 15,  $\frac{1}{2}$  Sec. 16 (R-2508, 10-2-84)

Ext:  $\frac{1}{4}$  Sec. 11 (R-8592, 1-25-85) EXT:  $\frac{1}{4}$  Sec. 11 (R-8663, 6-19-85)

Ext:  $\frac{1}{2}$  Sec. 23,  $\frac{1}{4}$  Sec. 25,  $\frac{1}{4}$  Sec. 26 (R-8747, 9-18-84) EXT: 9/25 Sec. 25, 5/2

Sec. 26 (R-8827, 12-22-82) EXT: All Sec. 24 (R-8847, 1-10-87)

County Chaves Pool Four Ranch-Ac. Permian Gas



Description: Sec. 7  $\frac{1}{4}$ , Sec. 18  $\frac{1}{4}$  (R-7048, 8-9-82)

Ext: All Sec. 19 (R-2302, 6-14-83),  $\frac{1}{2}$  Sec. 27 (R-8627, 4-1-84)

Ext:  $\frac{1}{2}$  Sec. 30 (R-8847, 1-10-89)

Acres 1000

Acres 1000



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 5, 1989

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Ken Beardemphl  
Landman

RE: Non-Standard Location  
Filing; Dragonfly State  
Unit Well No. 2, S/2  
Section 31, Township 9  
South, Range 27 East, NMPM,  
Chaves County, New Mexico.

Dear Mr. Beardemphl:

I am unable to consider your application for an unorthodox gas well location at this time. Division General Rule 104 F.(I) does not allow administrative authorization for such circumstances that exist for the subject well. I will therefore set this matter on the next available Hearing Examiner's docket schedules for July 12, 1989.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Artesia  
Vic Lyon