MARTIN YATES, III 1912 - 1985 FRANK W YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G PATTERSON

S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES

DENNIS G. KINSEY TREASURER

May 17, 1989

RECEIVED

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

Attention: Mr. William J. LeMay

MAY 22 1989

OIL CONSERVATION DIV. SANTA FE

Re: Non-Standard Location Dragonfly State Unit #2 Well Township 9 South, Range 27 East, NMPM Section 31: S1

Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation respectfully requests administrative approval for a non-standard location being $6\Phi0$ ' FSL and 1650' FEL in Section 31, T9S-R27E, Chaves County, New Mexico for an Ordivician 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 Ordivician 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
Draconfly State Unit #2 Well
Township 9 South, Range 27 East, NMPM
Section 31: S2
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 Petrcleum (Americas) Inc. 6 Desta Erive Suite 3200 Midland, Texas 79705-5510

Attention: Mr. Robert G. Elliott

MARTIN YATES, III :912 - 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

TELEPHONE (505) 748-1471

May 17, 1989

MAY 3 0 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.

WAIVER

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

Signature

Title

Date

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



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

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

S. P. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES

May 17, 1989

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Chaves County, New Mexico

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WAIVER

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| Signature | | | |
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Form C-102 Supersedes C-128 Effective 14-65

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Submit to Appropriate District Office State Lease — 6 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

| Fee Lease - 5 copies | 0.TT | CONCERNATIO | NI DATIFICACI | | | | |
|---|---|---|--|----------------------|---------------------------------------|-------------------------------|------------------------------------|
| DISTRICT I P.O. Box 1980, Hobbs, NA | | P.O. Box 2088 | | | igned by OCI 5-62659 | O on New Wells) | |
| DISTRICT II | | Santa Fe, New Mexico | 87504-2088 | | 5. Indicate Type of Lease | | |
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| DISTRICT III | | Į. | MA TO OO | | 6. State Oil | & Gas Lease | |
| 1000 Rio Brazos Rd., Az e | c, NM 87410 | | 0 C D | | LG-4 | 1928 | |
| | TION FOR PERMIT | TO DRILL, DEEPEN, C | H PLUG BACK | | | | |
| la. Type of Work: | | | | | 7. Lease Nau | ne or Unit Ag | greement Name |
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| b. Type of Well: | | STNOLE | | | _ | - | |
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| | eum Corporatio | n | | | #2 | | |
| 3. Address of Operator | | | | | | | Foor Ranch Wolf ch Pre-Cambrian |
| 105 South Fo | urth Street, A | rtesia, New Mexico | 0 88210 | | camp - r | OOI Rail | Ch Pre-Cambrian |
| 4. Well Location Unit Letter | 0 : 660' Food | From The South | 1: | 1650 | .1 | T | |
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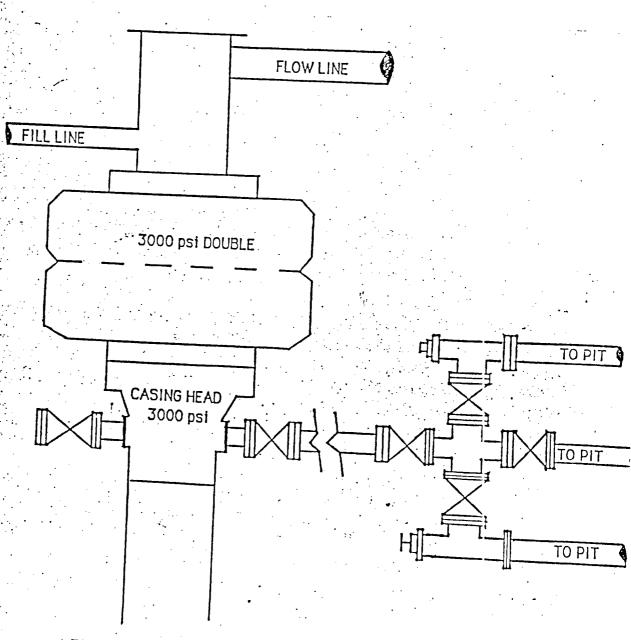
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| | OIL CONSERVATION DIV. | | | | |
| IN ABOVE SPACE DE CRIBE PROPOS ZONE, GIVE BLOWOUT PRE PENTER PROGRAM, II | | DEEPEN OR PLU | O BACK, GIVE DATA C | ON PRESENT PRODUCTIVE 2 | ONE AND PROPOSED NEW PRODUCTIVE |
| I hereby certify that the info mation above is true | and complete to the best of my knowledg | ge and belief. | | | |
| SKINATURE DE DELLE | | me L | andman | · | DATE 5/15/89 |
| TYPE OR PRINT NAME Ken Bear | demph1 | | | | TELEPHONE NO. 748-1471 |
| (This space for State Use) | ı | | | , | |
| APPROVED BY | 1222 | TITLE _ | WAR INVE | district s | MAY 1 9 1989 |
| CONDITIONS OF APPROVAL IF ANY: | | | | | |

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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

| | | All distances mus | t be from the outer b | oundaries of the Section |). | · · · · · · · · · · · · · · · · · · · |
|--------------------|----------------------------------|--------------------|---------------------------------------|--------------------------|--------------------|---|
| Operator YATE | S PETROLEUM | CORPORATIO | N DRA | GON FLY STA | TE UNIT | Well No. |
| Unit Letter | Section 3.1 | Township 9 Sout | Range 2 | East | Chaves | |
| Actual Footage Loc | ation of Wells | + | | | | |
| 660 | feet from the | South line | and 1650 | feet from the | East | line |
| Ground Level Elev. | Producing For | mation | FOOR P | and wolfcame | , | ated Acreage; |
| 3916.0 | | rdivician | SOOR R | and Precar | nbrini~ | 320 Acres |
| 1. Outline th | e acreage dedica | ted to the subject | ct well by colore | d pencil or hachure | | st below, |
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| | an one lease of d | _ | • | the well, have the | interests of all | owners been consoli- |
| Yes | No II a | nswer is "yes;" t | ype of consolidat | ion | | |
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YATES PETROLEUM CORPORATION



BLOWOUT PREVENTER

State of New Mexico

| Form C-103 |
|----------------|
| Revised 1-1-89 |

| District Office | Energy, Minerals and Natural Res | ources Department | Form C-103 Revised 1-1-89 |
|--|--|---|---|
| DISTRICT I P.O. Box 1980, Hobbs, NM 88240 | OIL CONSERVATION P.O. Box 2088 | 1 | WELL API NO. 30-005-62659 |
| DISTRICT II P.O. Drawer DD, Artesia, NM 88210 | Santa Fe, New Mexico 8 | 7504-2088 | 5. Indicate Type of Lease |
| DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 | | | 6. State Oil & Gas Lease No. LG 4928 |
| (DO NOT USE THIS FORM FOR PR DIFFERENT RESE (FORM (| FICES AND REPORTS ON WELL ROPOSALS TO DRILL OR TO DEEPEN OF ERVOIR. USE "APPLICATION FOR PERI C-101) FOR SUCH PROPOSALS.) | OR PLUG BACK TO A | 7. Lease Name or Unit Agreement Name |
| 1. Type of Well: OIL GAS WELL X WELL | OTHER FF | B 13'89 | Dragonfly State Unit |
| 2. Name of Operator | | 0 1 2 08 | 8. Well No. |
| | um Corporation 🗸 | · | 2 |
| 3. Address of Operator | | ES'A OFFICE | 9. Pool name or Wildcat |
| 150 South 4th | St., Artesia, NM 88210 | ES A OFFICE | Wildcat San Andres |
| · · · · · · · · · · · · · · · · · · · | | | |
| | 50 Feet From The South Township 95 Rans | | |
| | Township 9S Rang | e 27E | NMPM Chaves County |
| Section 31 | Township 9S Rang | ge 27E F, RKB, RT, GR, etc.) | NMPM Chaves County |
| Section 31 | Township 9S Rang 10. Elevation (Show whether Di 3616 Appropriate Box to Indicate N | ge 27E F, RKB, RT, GR, etc.) S' GR ature of Notice, Ro | NMPM Chaves County |
| Section 31 | Township 9S Range 10. Elevation (Show whether Divided in Short Show whether Divided in Short Sho | ge 27E F, RKB, RT, GR, etc.) S' GR ature of Notice, Ro | NMPM Chaves County eport, or Other Data |
| Section 31 11. Check NOTICE OF IN | Township 9S Range 10. Elevation (Show whether Discourage) 3616 Appropriate Box to Indicate N TENTION TO: PLUG AND ABANDON | ge 27E F, RKB, RT, GR, etc.) S' GR ature of Notice, Ro SUB | chaves County Chaves County Eport, or Other Data SEQUENT REPORT OF: ALTERING CASING |
| Section 31 11. Check NOTICE OF IN PERFORM REMEDIAL WORK | Township 9S Range 10. Elevation (Show whether Dispersion and Show whether Dispersion (Show e 27E F, RKB, RT, GR, etc.) 'GR ature of Notice, Ro SUB REMEDIAL WORK | Chaves County Peport, or Other Data SEQUENT REPORT OF: ALTERING CASING OPNS. PLUG AND ABANDONMENT |

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% CaC12 (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.

| FEB 1 5 1983 | |
|--------------|--|
| CONSERVATION | |

| | THE CHISERVATURES | ·) .! |
|---|---------------------------|------------------------------------|
| I hereby certify that the information above is true and complete to the best of my knowle | edge and belief. | |
| SIONATURE - CO CALLES De de de Co | mme Production Supervisor | DATE |
| TYPEOR PRINT NAME Juanita Goodlett | | <u>тецерноне но. 505/748~1</u> 47. |
| (This apace for State Use) | MIPERVISOR, DISTRICT L | EEB 1 4 1989 |
| APTROVED BY WILLIAM WAS APTROVED BY | — тпъ | DATE |

CONDITIONS OF APPROVAL, IP ANY:

| STATE OF NEW MEXICO FNERGY AND MINERALS CEPARTMENT | | |
|---|---------------------------------|---|
| OIL CONSERVATION | 1 DIVREGENED | |
| DISTRIBUTION P. O. BOX 2008 | • | Form C-103 - |
| SANTA FE. NEW MEX | ICO 87501 | Revised 19-1-78 API #30-005-62659 |
| rick | JAN 06'89 | Sa. Indicate Type of Lease |
| U.S.O.S. | · · | State X Foe |
| OPERATOR | O. C. D. | 5, State Oil & Gas Lease No. |
| | ARTESIA OFFICE | LG 4928 |
| SUNDRY NOTICES AND REPORTS ON WELL | DIFFERENT RESERVOIA. | |
| I. OIL X GAS OTHER- | | 7, Unit Agreement Name |
| 2. Nome of Operator | | 8. Farm or Lease Name |
| Yates Petroleum Corporation 🗸 | | Dragonfly State Unit |
| 105 South 4th St., Artesia, NM 88210 | | 9. Well No. |
| 4. Locution of Well . | | 10. Field and Pool, or Wildcat |
| UNIT LETYER 0 660 PEET FROM THE SOUTH LINE | AND 1650 FEET FROM | Wildcat San Andres |
| Fact 21 | 270 | |
| THE East LINE, SECTION 31 TOWNSHIP 9S | ANGE Z/E HMPM. | |
| 15. Elevation (Show whether DF, RT, | GR, etc.) | 12. County |
| 3616' GR | | Chaves |
| Check Appropriate Box To Indicate Nature NOTICE OF INTENTION TO: | • | her Data FREPORT OF: |
| | لب | |
| Fi | IAL WORK | ALTERING CASING |
| ;==1 | TEST AND CEMENT JOB | PLUG AND ABANDONMENT |
| PULL OR ALTER CASING CASING | Spud Notice | V |
| OTHER | | IAJ |
| | | |
| 17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and work) SEE RULE 1703. | give pertinent dates, including | estimated date of starting any proposed |
| Spudded 12-1/4" hole 1:50 PM 12-28-88. Notified Conformation of spud. Drilling with cable tools. 1-4-89 - TD 110'. | JAN 11 | 1989 |
| is. I hereby certify that the information above is true and complete to the beat of my kno | wledge and belief. | |
| money ante Docalier mice Producti | on Supervisor | DATE 1-4-89 |
| | | |
| APPROVED IN MARCH VILLE SURCESS | ISOR, DISTRICT IL | JAN 9 1989 |

CONDITIONS OF APPROVAL, IF ANY

| STATE OF NEW MIXI ENERGY AND MIMERALS DIFF | | OIL CONSERVAT | | IVED 3 | 7)-105 Form C-101 Revised 10 | -62659 |
|--|-----------------|---|--|-------------------------------------|--|--|
| DISTRIBUTION SARTAFC FILE U.S.G.S. LAND OFFICE OPERATOR APPLICATIO | ON FOR PERMIT | P.O. BOX SANTA FE, NEW M | 0. (| 23 '88 C. D. | SA. Indicate STATE (S. State Oil LG-49 | Free of Louise Y Free 6 6 Gas Louise No. 128 |
| b. Type of Work b. Type of Well one was with 2. Name of Operator Yates Petroleum 3. Address of Operator | Corporation, | | | BACK | B. Farm or L DRAGONF 9. Well No. | ELY STATE UNIT 2 d Popl, or Wildegs |
| 4. Location of Well UNIT LETT | | LINE OF SEC. 31 | TWP. 9S P.CE. 27 | | | San Andres |
| 21. Lievations Ishow whether Dr. 3616.0 GR | | Kind & Signus Plug. Bond | 19. Proposed Depth 2200' 21B. Drilling Contractor Undesignated | San Andre | S | 20. Rotary or C.T. Cable Tool Date Work will start |
| SIZE OF HOLE 12-1/2" | SIZE OF CASI | PROPOSED CASING AN | ND CEMENT PROGRAM | H SACKS OF | CEMENIT | Esr. TOP |
| 8 | 5-1/2" | 14# J-55 | TD | 300 sac | ks | |
| casing will be | set and cemer | t the San Andres f nt circulated. If ate cover, perfora | f commercial, pr | oduction c | asing w | ılı be |
| | | | | APPROVAL V PERMIT EX UNLESS (| CPIRES _ | |
| IVE ZONE. GIVE BLOWOUT PREVEN | ROPOSED PROGRAM | complete to the best of my | | ON PRESENT PROF | Dec | ember 23, 1988 |
| (This space for | 77/ 44 | TitleT | ngene | | nte | |

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 14-65

All distances must be from the outer boundaries of the Section LG-4928 Dragonfly State Unit Yates Petroleum Corporation Horse Unit Letter Section 27 East 9South Chaves feet from the South 1650 660 WILD CAT SAN ANORES Ded cated Accesses 40 Ground Lavel Llev. Producing Formation 3616.0' SANANORES 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? If answer is "yes," type of consolidation If unswer 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 Commis-CERTIFICATION I hereby certify that the information conad barain is true and complete to the Clifton Position Permit Acent Yates Petroleum Corporation Date 12-23-88 I hernby cert fy that the well location LG-4928 1650 ... 1320 1680 1880 2310 26 40 2000 1000

Pool Foor Rarch-Ac Permian Gas

32

| | 2 | 4.00 | 7. 10 | | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | : " | · | SEO ZL | Er . 7250 23 | CXT: 4/2 | Ext: | Ext. 5 | Desc | _ | 31 | 1 | | - 8 | g - | — | | 19 | 7. | 18 | | 7 | - | | - - 9 |
|---------------|--------|---------|----------|-------------|---------------------------------------|----------------|---|----------|--------------|----------|-------------|-----------------------|-------------|---|------|------------|---|-----|-----|-------------|---|--------|----|--------|--|--------|---|---|----------|
| | | • | - | | 3 | | | | c 23 M | SEC 11 | 6/2 Sec. 14 | Ext: 8/2 Sec. 141 | escription: | | | | | | | | | | | | | | | | |
| : | | | | | | | 1 | 12-22 | Mesec as | -8592 | 4. All Sec. | R-2302 | 5 | | - ½ | - | + | +; | 70 | - | | - 20 - | | 17 | | - 80 - | - | | _ |
| | | | | | | | 1 | SS) FXT: | 1/2 Sec. 26 | 2/88 | ec. 15, 5/2 | A-2302, 6-14-83) Ext: | 1 8/2 | | - 33 | 1 | - | - | 28 | | | 21- | | 16 | | - 9 | | | - 43 |
| 1 - 1 - 1 - 1 | | See No. | in the | | | | | | (6-87 | Y. T | |) Ext: NA | Sec: 12 | | | | - | | | | | | | | | | | | |
| 12.5 | 4.3.47 | 中心的事件 | · 本本 | 大田 田本教師の子と | · · | 6 * • * | | C 24 | 1 | Г | (A-2708 | Sec | 1/2 Sec. | | 1 | ! - | | | 27 | | | 22 | | 15 | | 10 | | | - u |
| | - | 4 | 3 | \$1. X | | : | | (R-8847 | EXT: | -86 | ļ | 23 (4-2437 | : 13 011 | - | - 0 | ; — | F | - | 23 | | - | 77- | | | | 11 - | | | |
| 4 | | | | | 4 | | | 1-10-89 | 5/2 56c à | 88/0/5 | 25.84) | | 1P-7048 | | | | 1 | | | | | | | - | | | | | |
| | 14. 五本 | 1 | | 3 X 3 2 4 3 | 2 2 2 | | - | | 25 5/2 | | | 2-6-84) | 48 8-9-82) | | - 8 | ⊹ | 1 | + | 3 - | \parallel | | 24 | | - 13 - | | 1 | - | F | |

| | | 1. 18 | - | 1 | | EXT: N/2 S | Ext: All Ses | Description: | | <u> </u> | | - 8 - 8 | | | - +-19 + | + | - 6 | 5 | 1 | - | | - 0 | | TOWNBHIP |
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| | | this fur | | Muccas | 1 | EXT: N/2 SEC 30 (R-8847 | 19 CA-2302 | on: Sec. 7 | | 3 - - | | 29 | | | 20 | | Τ, | , , | | 8 - | | | | T Jouth 1 |
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| | | 22.4 | |) were | 1 | 89) | 25c 7 (8-862 | Sec. 18 1/2 (P- | | ¥ - | | 27 | | | 22 | | - ! | 1. | | 10 | | - | , - | EAST 1 |
| * | | ten | | | | | 7 4/ (88) | (P-7048, 8-9-82) | | # - # - | | - 26 - 1 | ? - | | 23 | | - - - - | 1 | | + 11 + | | | ر | NAPA |
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STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

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

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Artesia

Vic Lyon