

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

Case No. 9964

GARREY CARRUTHERS
GOVERNOR

May 24, 1990

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

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Ken Beardemphl, Landman

*RE: Unorthodox gas well location, Lusk "AHB" Federal Well No. 1,
800' FNL - 1650' FEL (Unit B) Section 35, Township 19 South,
Range 32 East, NMPM, Lea County, New Mexico.*

Dear Mr. Beardemphl:

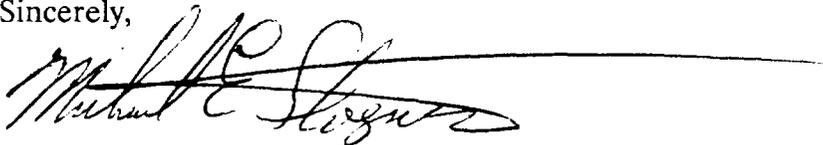
We are in receipt of your application on the subject well for an unorthodox gas well location to test the Morrow formation.

After reviewing this application I am unable to grant approval in this matter, General Rule 104.F. and Memorandum 1-90 do not contain provisions covering your particular situation. Therefore this application will be set for hearing before an Examiner on the next available docket scheduled for June 13, 1990.

Please provide notice as required by General Rule 1207(a)2.

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

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
William J. LeMay - OCD Director

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



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

MAY 22 1990

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

May 10, 1990

9964

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Non-standard location
Lusk "AHB" Federal #1
800' FNL and 1650' FEL
Section 35-T19S-R32E
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation requests administrative approval for the non-standard location as provided for under NMOCD Rule 104F.

The reason for this request is that the well was applied for by Anadarko Petroleum Corporation for a 40 acre spacing unit Delaware test. They did not wish to drill it at the last moment and Yates decided to drill it at the last moment to keep the lease. Our geologist decided to test to the Morrow as a wildcat location. This has changed the spacing from 40 acres to 320 acres. As it is a federal lease, and time was short, with the 30 day policy on any new Application to Drill by the Bureau of Land Management, we had to drill this location.

Enclosed please find a copy of the plat (Form C-102) and a copy of the lease map. I have also enclosed a list of all offset operators and a copy of the certification slips that we have notified them of our non-standard location by certified mail, via a copy of this letter.

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/sdf

Enclosures

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

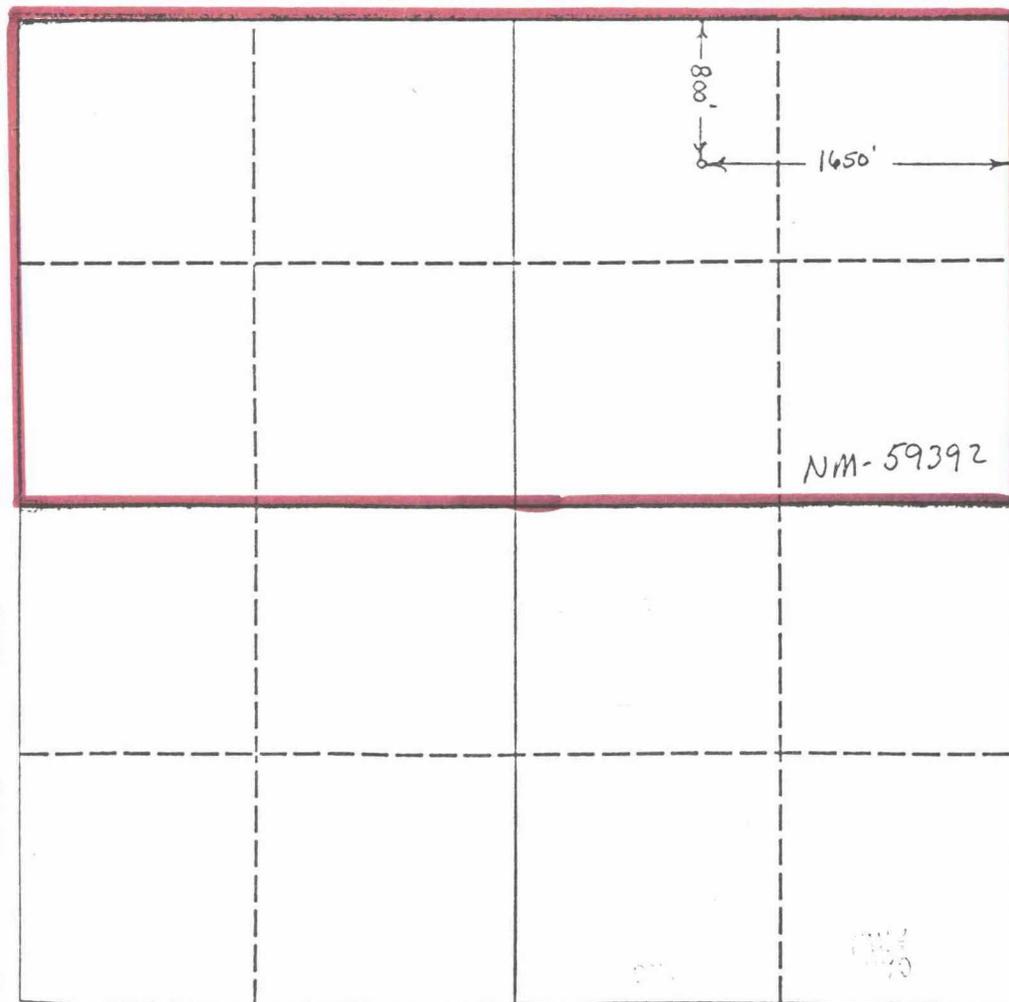
Operator Yates Petroleum Corporation			Lease Lusk "AHB" Federal		Well No. 1
Unit Letter B	Section 35	Township 19S	Range 32E	County Lea	
Actual Footage Location of Well: 800 feet from the North line and 1650 feet from the East line					
Ground level Elev. 3565.9	Producing Formation Morrow	Pool Wildcat	Dedicated Acreage: 320 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

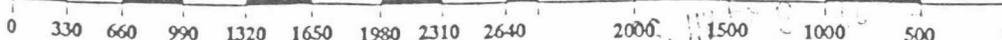
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Ken Beardemphf*
 Printed Name: Ken Beardemphf
 Position: Landman
 Company: Yates Petroleum Corporation
 Date: 2-26-90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes on 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: _____
 Signature & Seal of Professional Surveyor: _____
 Refer to Original Plat
 Certificate No.: _____



RECEIVED

OFFSET OPERATORS

Texaco Inc.
P. O. Box 2100
Denver, Colorado 80201

Anadarko Petroleum Corporation
P. O. Box 2497
Midland, Texas 79702

Oryx Energy Company
P. O. Box 2880
Dallas, Texas 75221-2880

Unocal '76
P. O. Box 3100
Midland, Texas 79702

Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

Mitchell Energy Corporation
P. O. Box 4000
The Woodlands, Texas 77387

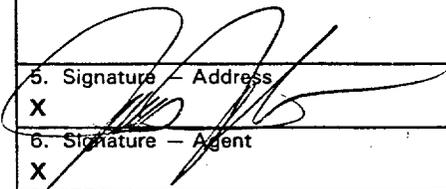
Manzano Oil Corporation
1717 W. Second Street
Roswell, New Mexico 88201

Fina Oil and Chemical Co.
P. O. Box 2159
Dallas, Texas 75221

Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

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 additional service(s) requested.

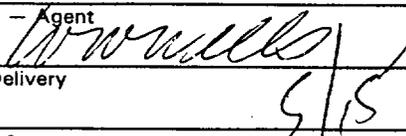
1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Unocal '76 P. O. Box 3100 Midland, Texas 79702	4. Article Number P 574 254 456 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X 	8. Addressee's Address (ONLY if requested and fee paid) Non-standard location Lusk "AHB" Fed. #1
6. Signature - Agent X	
7. Date of Delivery MAY 14 1990	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

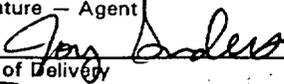
1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Meridian Oil Inc. 21 Desta Drive Midland, Texas 79705	4. Article Number P 574 254 454 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid) Non-standard location Lusk "AHB" Fed. #1
6. Signature - Agent X 	
7. Date of Delivery 5/15	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Manzano Oil Corporation 1717 W. Second Street Roswell, New Mexico 88201	4. Article Number P 574 254 452 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid) Non-standard location Lusk "AHB" Fed. #1
6. Signature - Agent X 	
7. Date of Delivery 5-10-90	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

- 1. Show to whom delivered, date, and addressee's address. (Extra charge)
- 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Oryx Energy Company P. O. Box 2880 Dallas, Texas 75221-2880</p>	<p>4. Article Number</p> <p>P 574 254 455</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p>Non-standard location Lusk "AHB" Fed. #1</p>
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p> <p>MAY 14 1990</p>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

- 1. Show to whom delivered, date, and addressee's address. (Extra charge)
- 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Oil Conservation Division P. O. Drawer DD Artesia, New Mexico 88210</p>	<p>4. Article Number</p> <p>P 574 254 450</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p>Non-standard location Lusk "AHB" Fed. #1</p>
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p> <p>5-14-90</p>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

- 1. Show to whom delivered, date, and addressee's address. (Extra charge)
- 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Anadarko Petroleum Corporation P. O. Box 2497 Midland, Texas 79702</p>	<p>4. Article Number</p> <p>P 574 254 457</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p>Non-standard location Lusk "AHB" Fed. #1</p>
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p> <p>MAY 15 1990</p>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865

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 additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Texaco Inc. P. O. Box 2100 Denver, Colorado 80201</p>	<p>4. Article Number P 574 254 458</p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid) Non-standard location</p>
<p>6. Signature - Agent X <i>T. DURST</i></p>	<p>Lusk "AHB" Fed. #1</p>
<p>7. Date of Delivery MAY 15 1990</p>	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Fina Oil and Chemical Company P. O. Box 2159 Dallas, Texas 75221</p>	<p>4. Article Number P 574 254 449</p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid) Non-standard location</p>
<p>6. Signature - Agent X <i>[Signature]</i></p>	<p>Lusk "AHB" Fed. #1</p>
<p>7. Date of Delivery MAY 14 1990</p>	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Mitchell Energy Corporation P. O. Box 4000 The Woodlands, Texas 77387</p>	<p>4. Article Number P 574 254 453</p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid) Non-standard location</p>
<p>6. Signature - Agent X <i>[Signature]</i></p>	<p>Lusk "AHB" Fed. #1</p>
<p>7. Date of Delivery 5-15-90</p>	

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. 2691
Order No. R-2373

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 a new gas pool for Morrow production should be created and designated the Lusk-Morrow Gas Pool.
- (3) That since March, 1961, the date of the first completion in the Morrow formation in the proposed pool, several wells have subsequently been completed in the Morrow formation and are capable of producing gas therefrom.
- (4) That El Paso Natural Gas Company seeks the promulgation of temporary special rules and regulations for the Lusk-Morrow Gas Pool to provide for 640-acre gas proration units and the allocation of allowables to non-marginal wells in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the subject pool.
- (5) That the evidence presented concerning the economic loss that will occur as a result of drilling of unnecessary wells

justifies the establishment of 640-acre gas proration units in the subject pool for a temporary period of 18 months.

(6) That during the 18-month period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

(7) That this case should be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Lusk-Morrow Gas Pool consisting of the following-described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 18: All
Section 19: All
Section 20: All
Section 29: All

(2) That Special Rules and Regulations for the Lusk-Morrow Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
LUSK-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of the Lusk-Morrow Gas Pool, and not nearer to or within the limits of another designated Morrow pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be located on a standard proration unit consisting of approximately 640 contiguous surface acres substantially in the form of a square which is a legal section of the United States Public Lands Survey. For purposes of these rules, a unit containing 632 through 648 acres shall be considered a standard unit.

RULE 3. Each well completed or recompleted in said pool shall be located not closer than 330 feet to the outer boundary

CASE No. 2691
Order No. R-2373

of the SW/4 NE/4, NW/4 SE/4, NE/4 SW/4, or SE/4 NW/4 of the section. Any well drilling to or completed in the Strawn or Morrow formations on the date of this order is hereby granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 640 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The acreage factor assigned to any such non-standard unit shall bear the same ratio to a standard acreage factor in the Lusk-Morrow Gas Pool as the acreage in such non-standard unit bears to 640 acres.

RULE 5. In the event of subsequent prorationing of the Lusk-Morrow Gas Pool, the allowable assigned to a non-marginal well shall be in the same ratio that its acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 6. The vertical limits of the Lusk-Morrow Gas Pool shall be the Morrow formation.

(3) That this case shall be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

(4) 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

EDWIN L. MECHEM, Chairman

S E A L

E. S. WALKER, Member

esr/

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

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. 2691
Order No. R-2373-A

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of May, 1964, 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 by Order No. R-2373, dated November 21, 1962, temporary Special Rules and Regulations were promulgated for the Lusk-Morrow Gas Pool.

(3) That pursuant to the provisions of Order No. R-2373, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

(4) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool, promulgated by Order No. R-2373, should be continued in effect for an additional one-year period in order

CASE No. 2691
Order No. R-2373-A

to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(5) That this case should be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties should appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool promulgated by Order No. R-2373 shall be continued in full force and effect for an additional one-year period.

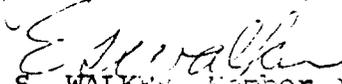
(2) That this case shall be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

(3) 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/

ASP

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. 2691
Order No. R-2373-A

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of May, 1964, 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 by Order No. R-2373, dated November 21, 1962, temporary Special Rules and Regulations were promulgated for the Lusk-Morrow Gas Pool.

(3) That pursuant to the provisions of Order No. R-2373, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

(4) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool, promulgated by Order No. R-2373, should be continued in effect for an additional one-year period in order

-2-

CASE No. 2691

Order No. R-2373-A

to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(5) That this case should be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties should appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool promulgated by Order No. R-2373 shall be continued in full force and effect for an additional one-year period.

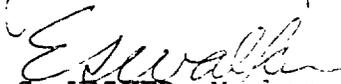
(2) That this case shall be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

(3) 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/

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. 2691
Order No. R-2373-B

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 12, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of May, 1965, 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 by Order No. R-2373, dated November 21, 1962, temporary Special Rules and Regulations were promulgated for the Lusk-Morrow Gas Pool, Lea County, New Mexico.

(3) That by Order No. R-2373-A, dated May 13, 1964, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2373-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

-2-

CASE No. 2691

Order No. R-2373-B

(5) That the evidence establishes that one well in the Lusk-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2373 and R-2373-A have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(7) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Orders Nos. R-2373 and R-2373-A should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Lusk-Morrow Gas Pool promulgated by Orders Nos. R-2373 and R-2373-A are hereby continued in full force and effect until further order of the Commission.

(2) 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

esr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6730
Order No. R-6197

APPLICATION OF PETROLEUM DEVELOPMENT
CORPORATION TO LIMIT 640-ACRE SPACING,
EDDY AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of November, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2373, dated November 21, 1962, the Division created the Lusk-Morrow Gas Pool and promulgated special rules therefor, including a provision for 640-acre spacing and proration units, and said rules were made permanent by Order No. R-2373-B, dated May 19, 1965.

(3) That said rules were made applicable to wells completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of said pool and not nearer to nor within the limits of another designated pool.

(4) That the applicant in this case, Petroleum Development Corporation, seeks the amendment of the special rules for the Lusk-Morrow Gas Pool to cause said rules to be applicable only to those wells completed or recompleted within the boundaries of said pool, and not to wells completed or recompleted outside such boundaries but within one mile thereof.

(5) That the Lusk-Morrow Gas Pool, as presently defined by the Division, comprises the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

(6) That no operator in the Lusk-Morrow Gas Pool nor within one mile thereof objected to applicant's proposal.

(7) That the limitation of the applicability of the special rules for the subject pool to said pool's boundaries as they currently exist will not impair correlative rights nor cause waste, but indeed may prevent waste by permitting the drilling for and production of gas which might otherwise remain unrecovered, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico, as promulgated by Division Order No. R-2373 dated November 21, 1962, and made permanent by Order No. R-2373-B, dated May 19, 1965, are hereby limited to the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

-3-

Case No. 6730
Order No. R-6197

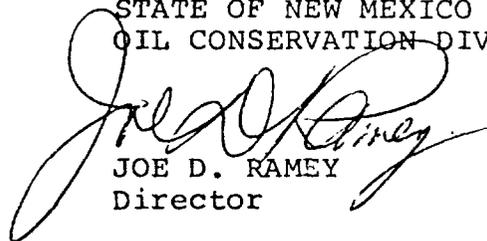
(2) That Rule 1 of said Special Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1. SUBMIT IN TRIPPLICATE.
Other instructions on reverse side.

2. LEASE DESIGNATION AND SERIAL NO.
NM - 59392

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" for such proposals.)

3. DATE: 90 MAR 8 AM 9 11

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below):
At surface
800' FNL & 1650' FEL

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME: Lusk "AHB" Federal

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 35-T19S-R32E

12. COUNTY OR PARISH: Eddy Co

13. STATE: NM

14. PERMIT NO. 15. ELEVATIONS (Show whether OF, RT, GR, etc.): 3565.9

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF PULL OR ALTER CASING WATER SHUT-OFF REPAIRING WELL

FRACTURE TREAT MULTIPLE COMPLETE FRACTURE TREATMENT ALTERING CASING

SHOOT OR ACIDIZE ABANDON* SHOOTING OR ACIDIZING ABANDONMENT*

REPAIR WELL CHANGE PLANE (Other) _____

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to change the proposed casing and cementing program, the mud program, propose new tops and a new total depth of 13,900'. Also, find attached a new Exhibit B - Blowout Preventor.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of casing	Weight per foot	Setting Depth	Quantity of Cement
17-1/2	13-3/8	54.50#	1140	1150 sx circulated
12-1/4	8-5/8	32#	4900	2500 sx circulated
7-7/8	5-1/2	17 & 20#	TD	As warranted

MUD PROGRAM: FW to 1140'; Brine to 4900', cut brine to TD.

Yates Petroleum Corporation wishes to propose new tops, and they are the following:

Rustler	1055
Yates	2850
Delaware	4710
Bone Springs	7610
Wolfcamp	10850
Strawn	11730
Atoka	12420
Morrow	12770
TD	13900

18. I hereby certify that the foregoing is true and correct

SIGNED: [Signature] TITLE: Landman DATE: 2-23-90

(This space for Federal or State office use)

APPROVED BY: _____ TITLE: _____ DATE: 2 26 90

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions on Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

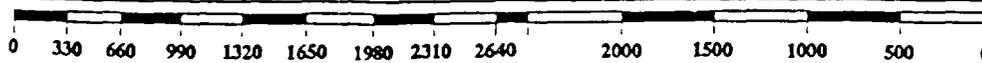
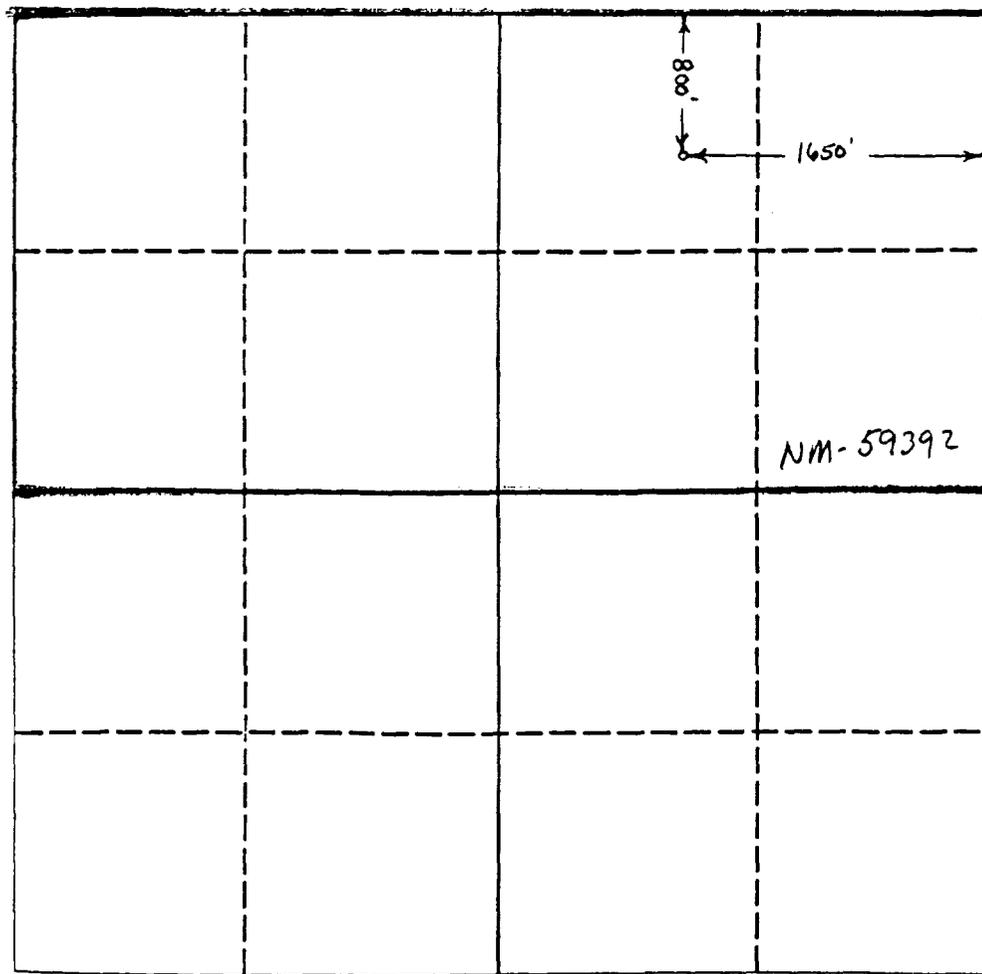
Operator Yates Petroleum Corporation			Lease Lusk "AHB" Federal		Well No. 1
Unit Letter B	Section 35	Township 19S	Range 32E	County Lea	

Actual Footage Location of Well:

800 feet from the North line and 1650 feet from the East line

Ground level Elev. 3565.9	Producing Formation Morrow	Pool Wildcat	Dedicated Acreage: 320 Acres
------------------------------	-------------------------------	-----------------	---------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Ken Beardemphf
 Signature

Ken Beardemphf
 Printed Name

Landman
 Position

Yates Petroleum Corporation
 Company

2-26-90
 Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or 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.

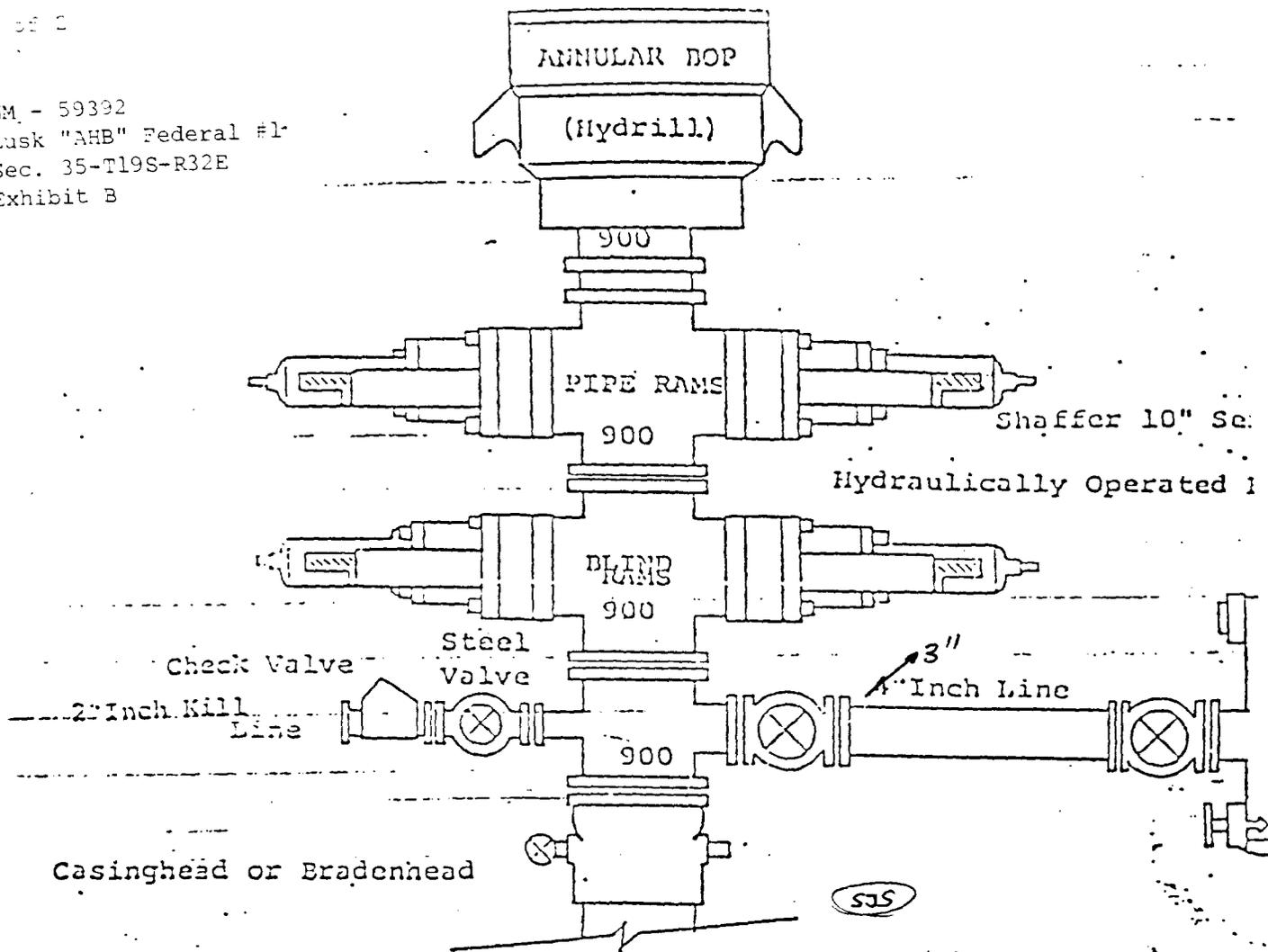
Date Surveyed

Signature & Seal of Professional Surveyor

Refer to Original Plat

Certificate No.

NM - 59392
Lusk "AHB" Federal #1
Sec. 35-T19S-R32E
Exhibit B



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 3" 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 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 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.

EXHIBIT B

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

PERMIT TO DRILL OR REOPEN
WELLS IN THE STATE OF NEW MEXICO

1990
NM - 59392
IF INDIA, ALLOTTEE OR TRIBE NAME

SUNDARY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. See APPLICATION FOR PERMIT for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL: Report location clearly and in accordance with any State requirements. See also space 17 below. At surface: 800'FNL & 1650'FEL

5. PERMIT NO. 15. ELEVATIONS (Show whether OF, RT, GR, etc.): 3565.9 GL

6. UNIT AGREEMENT NAME

7. FARM OR LEASE NAME: Lusk "AHB" Fed.

8. WELL NO.: 1

9. FIELD AND POOL, OR WILDCAT: Wildcat

10. SEC., T., E., M., OR BLK. AND SURVEY OR AREA: Sec. 35-T19S-R32E

11. COUNTY OR PARISH: ~~Edley~~

12. STATE: NM

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Name Change <input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Yates Petroleum Corporation wishes to change the well name:

FROM: Yates "35" Federal #1
TO: Lusk "AHB" Federal #1

RECEIVED

ACCEPTED FOR RECORD
FEB 26 1990
CARLSBAD, NEW MEXICO

ILLEGIBLE

18. I hereby certify that the foregoing is true and correct

SIGNED: [Signature] TITLE: Landman DATE: 2-22-90

(This space for Federal or State office use)

APPROVED BY: _____ TITLE: _____ DATE: 2-22-90

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
(Other instructions on re-
verse side)
DIVISION

BLM Roswell District
Modified Form No.
NM50-3160-4

5. LEASE DESIGNATION AND SERIAL NO.
NM-59392

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Yates "35" Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLM AND
SURVEY OR AREA
35-19S-32E

12. COUNTY OR PARISH
Lea

13. STATE
NM

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" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Anadarko Petroleum Corporation

3a. Area Code & Phone No.
505/748-3368

3. ADDRESS OF OPERATOR
P.O. Drawer 130, Artesia, New Mexico 88211-0130

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
800' FNL & 1650' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether OF, RT, OR, etc.)
3565.9' GL

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Reconpletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS* (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Anadarko originally filed an Application for Permit to Drill (APD) on this Yates "35" Federal Well No. 1. We no longer intend to drill this well. Instead, we hereby relinquish our previously submitted APD to Yates Petroleum Corporation of Artesia, New Mexico. Mr. Ken Beardemphl with Yates will handle matters forthwith.

RECEIVED FOR RECORD
FEB 26 1990
CARLSBAD, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED James E. Suckles TITLE Area Supervisor DATE 02/22/90

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Anadarko Petroleum Corporation (505) 748-3368

3. ADDRESS OF OPERATOR
 P.O. Drawer 130, Artesia, New Mexico 88211-0130

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At Surface
 At proposed prod. zone 800' FNL & 1650' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 12 miles South of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 800'

16. NO. OF ACRES IN LEASE
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 None

19. PROPOSED DEPTH
 7900'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3565.9 GL

22. APPROX. DATE WORK WILL START*
 February 24, 1990

5. LEASE DESIGNATION AND SERIAL NO.
 NM 59392

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Yates "35" Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 East Lusk Bone Spring
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 35-19S-32E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" ST&C	48#, H-40	0'-1140'	CIRCULATE
12-1/4"	9-5/8" ST&C	36#, K-55	0'-3100'	Setting intermediate
12-1/4"	9-5/8" ST&C	36#, S-80	3100'-4600'	CIRCULATE is optional
12-1/4"	9-5/8" ST&C	40#, S-80	4600'-4900'	(hole size will not chg.)
7-7/8"	5-1/2" ST&C	15.5#, K-55	0'-6600'	see slips
7-7/8"	5-1/2" ST&C	17#, K-55	6600'-7900'	Cement - SEE BELOW*

*SEE NEXT PAGE (Exhibit F)

For proposed cementing program
as well as proposed casing options.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNER: Jerry E. Suckles TITLE: Area Supervisor DATE: 2/01/90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: _____ TITLE: _____ DATE: 2-22-90

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1900, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ANADARKO PETROLEUM CORP.			Lease YATES "35" FEDERAL			Well No. 1		
Unit Letter B	Section 35	Township 19 SOUTH	Range 32 EAST	County NMPM LEA				
Actual Footage Location of Well: 800 feet from the NORTH line and 1650 feet from the EAST line								
Ground level Elev. 3565.9		Producing Formation BS LM/ DELAWARE			Pool WILDCAT		Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.

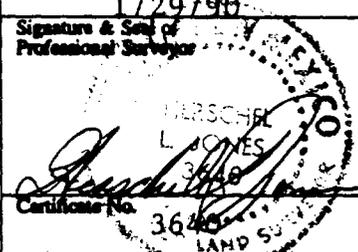
OPERATOR CERTIFICATION

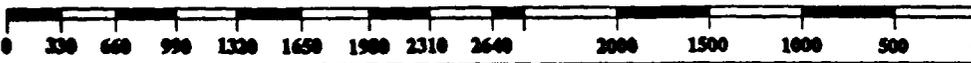
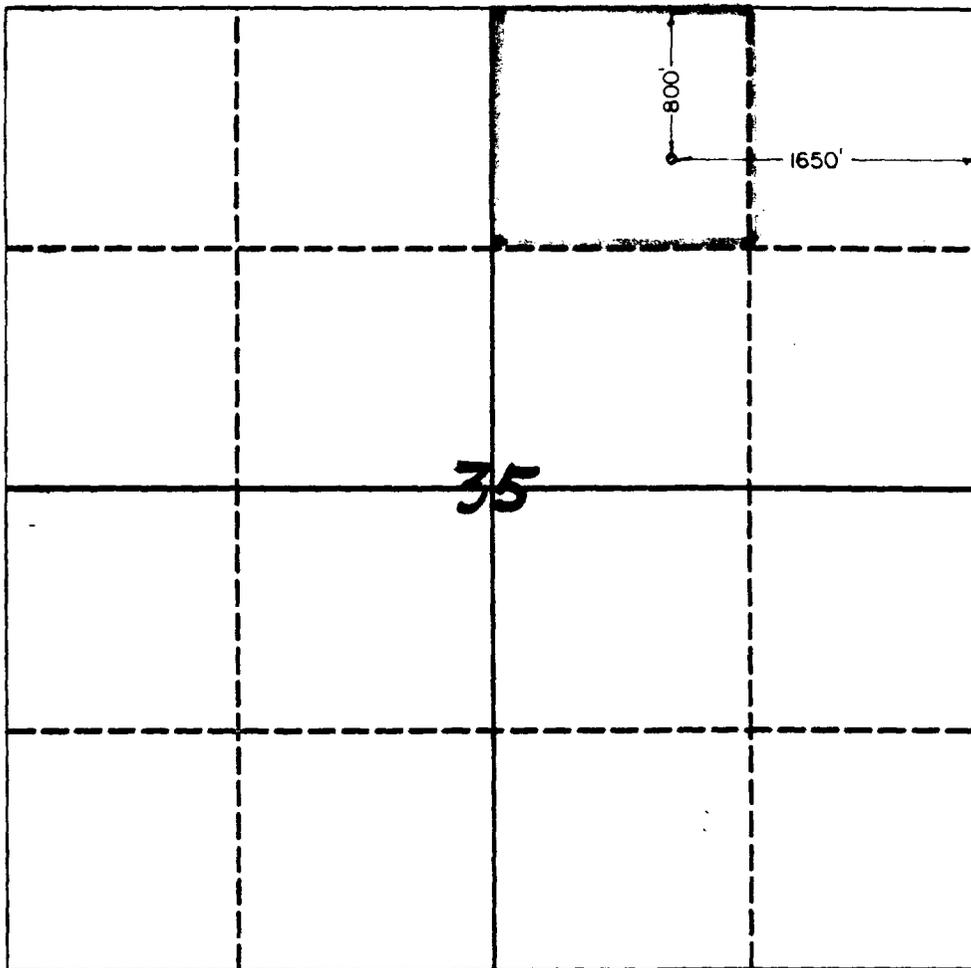
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jerry E. Buckles*
 Printed Name: **Jerry E. Buckles**
 Position: **Area Supervisor**
 Company: **Anadarko Petro. Corp.**
 Date: **February 1, 1990**

SURVEYOR CERTIFICATION

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

Date Surveyed: **1/29/90**
 Signature & Seal of Professional Surveyor: *[Signature]*
 Certificate No. **3640**




OPTION #1 (omit 9-5/8")

13-3/8" Surface Casing: Circulate to the surface using 700 sx Class C w/4% gel, 2% CaCl & ¼#/sx Flocele. Tail-in w/300 sx Class C w/2% CaCl and ¼#/sx Flocele.

9-5/8" Intermediate Casing: Omit

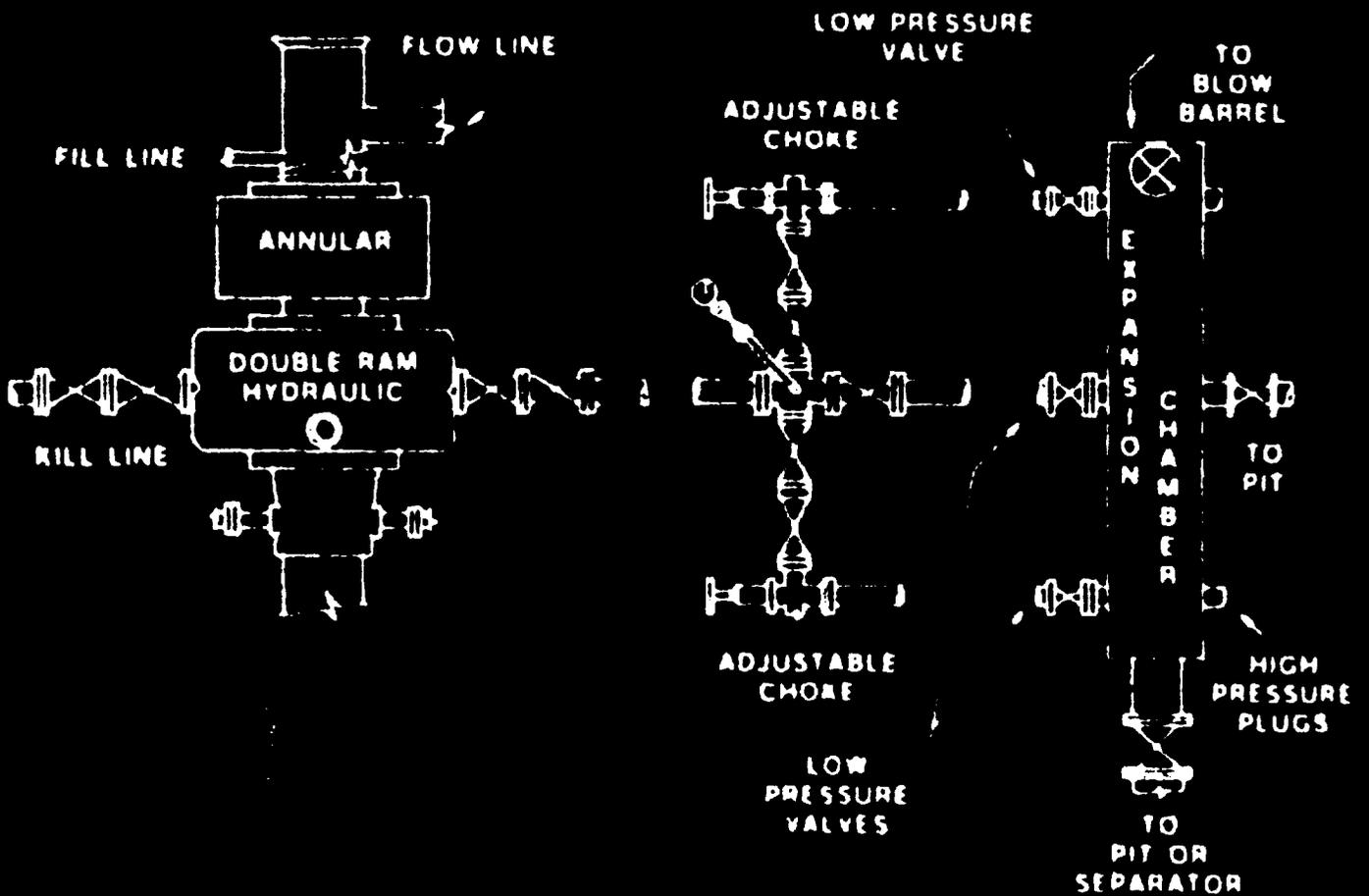
5-1/2" Production Casing: Cement 1st Stage from TD (7900') to 3300' using 940 sx Howco Lite with ¼#/sx Flocele. Tail-in w/425 sx Class C w/.5% Halad-322 and 3#/sx KCL. Open DV Tool and cement 2nd Stage from 3300' to surface using 2300 sx Howco Lite w/15#/sx Salt, ¼#/sx Flocele, and 5#/sx Gilsonite. Tail-in w/100 sx Class C w/2% CaCl.

OPTION #2 (w/9-5/8")

13-3/8" Surface Casing: Circulate to the surface using 700 sx Class C w/4% gel, 2% CaCl and ¼#/sx Flocele. Tail-in w/300 sx Class C w/2% CaCl and ¼#/sx Flocele.

9-5/8" Intermediate Casing: Cement 1st Stage from 4900' to 3000' using 250 sx Howco Lite, 15#/sx Salt, ¼#/sx Flocele, and 5#/sx Gilsonite. Tail-in with 300 sx Class C w/2% CaCl. Open DV tool. Cement 2nd Stage from 3000' to surface w/900 sx Halco Lite w/15#/sx Salt, ¼#/sx Flocele, and 5#/sx Gilsonite. Tail-in w/100sx Class C w/2% CaCl.

5-1/2" Production Casing: Cement from TD (7900') to 4600' using 225 sx Howco Lite w/¼#/sx Flocele. Tail-in w/425 sx Class C w/.5% Halad-322 and 3#/sx KCL.



Standard Blowout Preventer Stack

ILLEGIBLE

yftes "35" Fed. #1

Exhibit C

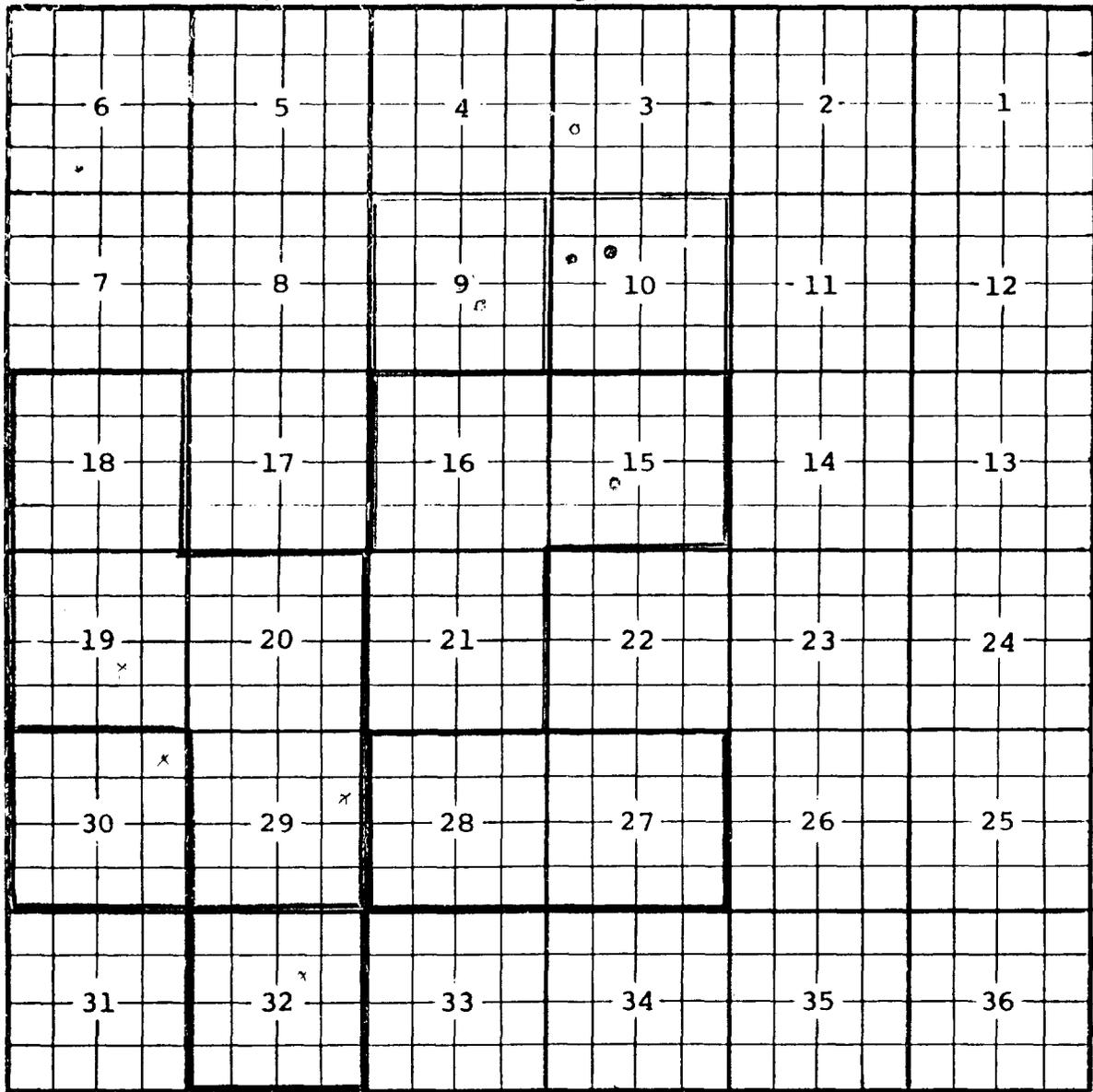
COUNTY *Lea*

POOL *Lusk-Morrow Gas*

TOWNSHIP *19 South*

RANGE *32 East*

NMPM



Description: All Sec. 18, 19, 20 & 29 (R-7373, 11-21-62).

Ext: All Secs. 27 & 28, (R-2449, 4-1-63) - All Sec. 30 (R-3219, 5-1-67)

- All Sec. 32 (R-4032, 10-1-70) - All Secs 15, 16 & 21 (R-4339, 7-17-72)

Ext: All Sec 9 (R-5252, 9-1-76) Ext: All Sec 10 (R-5729, 6-1-78)

*Special Rule limited to
Pool Boundary
Only*



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE
MAY 31 AM 9 17

5-28-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Case 9964

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

J.S.

Gentlemen:

I have examined the application for the:

Yates Petroleum Corp. Lease AHB Federal #1-B 35-19-32
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed